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# THE TIMES

How two union leaders view the election, page 16

## Ford offer seems to imply breach of social contract, Mr Foot says

The Ford pay offer to its employees seemed at first sight to threaten a breach of the social contract rule which calls for a 12-month gap between settlements, Mr Foot, Secretary of State for Employment, agreed yesterday. He and Mr Wilson bitterly criticized the BBC for arriving at pay settlement which they said broke the terms of the contract.

## BBC deal criticized as 'irresponsible'

David Wood, Political Editor, said Mr Foot, Secretary of State for Employment, refused yesterday to admit that the proposed Ford settlement breaches the social contract. He said it would be foolish for anybody to prejudice the settlement until all the facts were to hand. But he added that at first the offer had seemed to threaten a breach of the 12-month rule for new settlements.

He made the most of the fact that both Ford and the unions regarded the offer as falling within the social contract. Mr Foot was speaking at a Labour campaign conference immediately after the Government's social contract had been under strong attack from Mr Heath and Mr Thorpe. Mr Heath insisted that Labour's economic policy based on the social contract had demonstrated a collapse into catastrophe.

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## Union counter-attacks after ministerial onslaught

Paul Routledge, Labour Editor, said the ministerial strictures over the BBC's recent pay settlement came under heavy fire from the Association of Broadcasting Staff yesterday. Mr Heath, the union's general secretary, said the Prime Minister's disclosure of government consultation with public corporations on wage increases was a "sinister" confirmation of something that public unions had always suspected.

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Mr Wilson signs autographs after recording a television interview at the New London Theatre, Drury Lane. Mr Heath and Mr Thorpe also recorded separate interviews.

## Start work or be laid off, car men are told

By Raymond Perman, Labour Staff. Ford threatened last night to break off negotiations on its £63m pay offer to its employees unless strikers at Dagenham vote to return to work today.

The company said that there would be heavy and immediate layoffs among the 53,000 manual workers if press-shop and production-line workers did not return to normal working. The first to be made idle would be 8,000 at Dagenham.

The ultimatum was given to union leaders after eight hours of talks on an improved offer to press-shop men. But the company refused to discuss other pay matters when it heard of a new walkout by 400 men in the body plant.

The strikers are to meet today. If they vote to return to work talks will resume tomorrow.

An appeal to all Ford workers to work normally until negotiations were complete was made by Mr Moss Evans, leader of the union negotiators, and Mr Bernard Passingham, chairman of the convenors' committee.

The company wants to resolve all its pay difficulties at once by negotiating a two-year agreement for all 53,000 manual workers as well as demands by press-shop and production men. 500 craftsmen are on strike because the differential between their pay and that of unskilled men has been affected.

The company's offer has been criticized because the 12-month interval between pay rises demanded by the social contract has been disregarded. Ford workers got their last increases in April.

Negotiations broke down on Saturday over a Ford proposal to recruit 2,000 "utility men" described by the unions as "company spies".

The new breakdown prompted some union negotiators to speculate that the company is trying to avoid a settlement before the general election.

## Egg misses Mr Wilson

The first egg of the election campaign was buried at Mr Wilson as he arrived for a meeting at Oxford town hall last night. It missed the Prime Minister and splattered over a policeman.

The Prime Minister said later he had evaded 28 eggs during the 1970 election campaign. Only under a Labour Government could people afford to throw eggs.

## BSC workers want private ownership

From Ronald Faux, Glasgow. A demand that the Lanarkshire steelworks at Motherwell be returned immediately to private ownership has been made by the joint trade union committee at the works. Lanarkshire Steel is one of the British Steel Corporation's plants faced with run-down and closure. Five hundred of the 1,400 jobs could be immediately at risk.

The move was announced yesterday by Mr Arthur Bell, Conservative candidate for Lanark, at a press conference in Glasgow. Mr Bell quoted from a letter sent by the joint union committee to the Steel Stockholders' Association, the steel users' association and several chambers of commerce.

The letter says: "We deplore the lack of social conscience of the British Steel Corporation, the lack of appreciation of the dignity and loyalty of the individual, the callous attitude towards redundancy and loss of jobs and future opportunities and the debilitating effect on community life if the closures occur."

"We do not believe in our own economic policy. Lost our confidence, loyalty and respect. We feel strongly that a return of the works to private ownership is required immediately for the benefit of all concerned." The committee does not consider nationalization altogether wrong, simply that it

has not worked for Lanarkshire steel. Mr Bell pointed out that the BSC had declared its intention of starting to run down the works. His own investigations had shown that the corporation's general steel division lost £1.5m last year but the Lanarkshire steelworks, the one beam mill in Scotland, had made a profit of almost £1m. In the first two months of the current financial year the profit had been £100,000.

The fringeless thing is that the BSC is playing political chess with the lives and jobs of people employed there," he said, adding that a private company was prepared to buy the steelworks.

Mr George Younger, chairman of the Scottish Conservative Party, told the press conference that hundreds of thousands of Scottish jobs could be affected by Labour's nationalization plans. There were 250,000 Scots employed in the list of industries singled out by the socialists for state takeover and, according to past experience, employment to them could be expected to fall by one-third over the next 15 to 20 years.

"The point is that nationalization has not succeeded in saving jobs as Mr Wedgwood Benn claims it will do," Mr Younger said. "The cost of keeping state-controlled industries going in Scotland was the equivalent of £500 a year for every Scottish worker."

Continued on page 19, col 1

## US imposes controls on exports of grain

From Frank Vogl, US Economics Correspondent, Washington, Oct 7. The Administration today imposed limited controls, with immediate effect, on the export from the United States of wheat, maize, sorghum, soyabean and soyabean meal. The Administration has yet to announce what volume of these grains will be available for sale abroad.

Mr Earl Butz, the Secretary of Agriculture, stated here that grain exporters will be asked voluntarily to seek prior approval for all large foreign transactions. Mr Butz admitted that the new voluntary system amounts in fact to a modified form of control.

The Secretary added that general export controls will have to be imposed in the event of grain exporters not voluntarily participating in the new system. Today's announcement follows the cancellation over the weekend by President Ford of contracts for grain sales to Russia worth \$500m (£213m).

At a press conference today Dr Henry Kissinger, the Secretary of State, blamed bureaucratic mismanagement for the cancellation of the Soviet deal. He stated that the Russians had been misled as to the volume of grain they could purchase in the United States.

The Russians have not yet been informed what amount of grain they may purchase here. Mr Butz said this will be a subject that the Treasury Secretary, Mr William Simon, will discuss to Moscow when he goes there next Friday.

Mr Butz emphasized that the Administration continues to oppose general export controls. It wanted to continue with grain exports and it wanted American dealers to continue playing an active role in international markets.

The Secretary of Agriculture said that most deals submitted would be approved and he noted that the European Community and Japan had both voluntarily agreed to reduce their grain purchases in the United States by between 10 per cent and 15 per cent this year.

Continued on page 19, col 1

## Police give description of girls seen before public house explosions

Surrey police yesterday issued descriptions of two young girls who, they said, may have been responsible for blowing up two public houses killing five people and injuring 65 at Guildford, Surrey, on Saturday night.

There were further calls yesterday for the death penalty to be restored for terrorist acts. One came from Sir Michael Havers, QC, a former Solicitor General. But the three party leaders at their press conference said they did not favour such a proposition (details, page 2).

The girls the police are seeking were seen behaving suspiciously in Angel Gate, a dark, narrow passage linking Guildford's main streets, midway between the scene of the two explosions.

One was seen dodging into the garage of the Angel Hotel and the two later hurried away. Mr Christopher Rowe, assistant chief constable of Surrey, who has been put in command of the search for the girls, responsible, said the girls' description matched other reports.

The first girl was described as being between 15 and 20 years old with very light golden hair, swept back and shoulder length, of slim build, average height and wearing dark, flared trousers with a light, shaded knee-length coat.

The second girl was of the same age, of slim build, and average height, but with dark shoulder-length hair and wearing dark flared trousers and jacket. She was smoking a cigarette.

Mr Rowe said they were seen in the alley outside the Angel Hotel at 9.15 pm, between the times of the two explosions. He added: "The people who saw them thought it was suspicious about the first place around the Angel. One disappeared into the garage and then came out again. Their descriptions fit up with those of people seen elsewhere on other occasions that might be of use to us."

The search for the bombers, whose public houses known to be used by off-duty army girls and soldiers, led to inquiries yesterday in Scotland.

Continued on page 2, col 4

## Scots hospital nurse is jailed for murder

Jessie McTavish, aged 34, a hospital sister, was sentenced at the High Court in Edinburgh yesterday to life imprisonment on being convicted of murdering an elderly patient by insulin injections. The jury reached a majority verdict after an absence of three hours and 45 minutes.

After Lord Robertson had passed sentence, a woman in the crowded public benches cried out: "Oh, no, that's terrible. It's our right!" Sister McTavish, in tears, was assisted from the dock. During the 15-day trial she had been a total of five charges. She was found guilty of murdering Mrs Elizabeth Lyons, aged 90, a patient at Ruchill Hospital, Glasgow, by repeatedly giving her injections of soluble insulin.

## Rain holds up sugar beet harvest

By a Staff Reporter. Recent heavy rain has prevented sugar beet crops from being harvested for processing. Only four of the British Sugar Corporation's 17 processing factories have enough supplies to continue working and the corporation said yesterday that deliveries, particularly to industrial customers, might soon be affected.

If yesterday's improvement in the weather in many parts of the country continues, the corporation hopes to make up the lost processing time quite quickly.

## October snow

Snow fell at Brentwood, Essex, yesterday, but was followed by heavy rain and did not settle.

Forecasts, page 2

## Starving swallows helped to cross the Alps

From Our Correspondent, Geneva, Oct 7. An appeal to the public to help migrating swallows from north-eastern Europe, which have been trapped by the sudden onset of winter, was issued today by the Swiss Ornithological Institute at Sempach.

The institute said that tens of thousands of the birds, caught by bad weather in the Alps, had died of hunger because cold and high winds had killed off the insects on which they feed.

The appeal, named "operation swallows", said that in the birds' gathering places the people should shake the bushes, trees or better, light fires under the latter's branches to drive out insects for them to feed on.

## Telephone service to be cut on Christmas Day

By Malcolm Brown, Business News Staff. Drastic cuts to the telephone service are to be made on Christmas Day. There will be no alarm calls or person-to-person calls and the Post Office will not handle transferred charge or credit calls.

The Union of Post Office Workers said yesterday that it was hoped considerably fewer staff would be required. Other services that will not operate on Christmas Day are requests for verification of the engaged tone and similar standard operations. Directory inquiry facilities are likely to be severely restricted.

The union is still waiting for a reply from the Post Office to its request that all mail collection services on New Year's Day should be abolished. At present the day is treated as a Bank holiday, with restricted collections. The union asked for the change in March.

## Government has ultimate responsibility for inflation—Lord Robbins

Tim Coagolan. In a wide-ranging critique of post-war economic policy, Lord Robbins, the economist, yesterday denied that inflation was caused by the temper of the times. It is clear to me, he said, that the ultimate responsibility lies with government.

Lord Robbins was speaking at the fifth Wincott Memorial Lecture, entitled "Aspects of Post-war Economic Policy". Much of the difficulty was caused by pressure for increases of incomes not justified by general increases in production, he said. The Government had placed emphasis on maintaining full employment. But "there can really be no doubt at all that claims for (wage) increases which greatly exceed the increase in productivity will certainly produce unemployment, unless there is a corresponding inflation of the credit base and prices to provide a matching increase of aggregate expenditure."

He continued: "We should not guarantee the maintenance of employment whatever the cost in terms of inflation." He was sceptical of the use of statutory control of incomes.

This was because "the sheer difficulty of judging without market indications what the appropriate rate for differing grades of ability and assiduity is not to mention the allocative pressures of demand, seem at least hitherto to defy the best efforts of administrative ingenuity."

Nevertheless the unfeasibility of permanent attempts to control wages did not, he said, rule out more temporary methods of restraint. "There is a case for temporary policies, simply because they may help to prevent more unemployment than is inevitable if raging inflation is to be arrested."

Lord Robbins was highly critical of Mr Heath's Government of 1970-74, which "pursued virtually inconsistent policies."

Continued on page 19, col 1

## Election charts in 'The Times'

Results in nearly 500 constituencies are expected to be declared on election night, and a list of the relevant seats with majorities at the last election will appear in 'The Times' on Thursday.

There will also be a full-page map showing the present political complexion of the country, and a guide to the key seats by Professor Richard Rose.

On Saturday the membership of the new House of Commons will be shown in supplement including biographies of all MPs and statistics of each result.

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Paul Routledge, Labour Editor

The ministerial strictures over the BBC's recent pay settlement came under heavy fire from the Association of Broadcasting Staff yesterday. Mr Heath, the union's general secretary, said the Prime Minister's disclosure of government consultation with public corporations on wage increases was a "sinister" confirmation of something that public unions had always suspected.

To a statement he said: "We are astonished by the attack made by the Employment Secretary on the agreement made between the BBC and recognized unions at the signing of August."

"His description of this as a worst breach of the social contract shows that he must now very little about the history of pay negotiations in recent years, about the serious threat which BBC rates have fallen significantly below levels in the public sector, or

HOME NEWS

Party leaders resist demands to reintroduce the death penalty for acts of terrorism

By Our Political Staff

The three party leaders yesterday condemned the Guildford bomb outrage on Saturday...

Led by Mr. Thorpe, Liberal leader, at his press conference, they said that the main objective must be to bring the perpetrators to justice...

Lord Hailsham of St Marylebone, former Lord Chancellor, said at the Conservative Party press conference: "Clearly, bombings like that at Guildford which result in death are murder and they carry at the moment an automatic life sentence."

"If one looks at the statute and cases decided, leaving the Queen in her realm by unauthorized force is treason and that does still carry the death penalty."

fest need for national unity of approach. "My own contribution to national unity is not to try to make an election issue of it," he added.

Mr. Heath, pressed to say whether or not the issue of capital punishment should be put to Parliament again, said that such matters were left to a free vote of the House of Commons and they did not favour the proposition.

Lord Hailsham said the law of treason, being embodied in a fourteenth century statute in Norman-French, needed bringing up to date. One of the reasons, even during the war, why people were reluctant to apply the law was that it was obscure and had been interpreted in so many ways in the past.

"I believe there is a case for a penal code which includes a clarification both of the law of treason and of murder."

Mr. Wilson said that as the facts of the Guildford outrage became known the sense of horror and outrage was increased. Mr. Jenkins, Home Secretary, had been to study the situation at first hand and he would be at the party press

conference today to answer questions.

Reconsideration urged: Among those who joined the call yesterday for the death penalty for terrorists was Sir Michael Havers, QC, a former Solicitor General (the Press Association reports).

"The sense of outrage and horror in the minds of the public deserves to be recognized," he said. "Although I have for years been against hanging, I now feel the time has come for urgent reconsideration of capital punishment for terrorist offences."

Sir Michael, Conservative parliamentary candidate for Merton, Wimbledon, said terrorists committed "deliberate, indiscriminate mass murder," further the political interests of a minority.

Sir Keith Joseph, shadow Home Secretary, said in his Leeds constituency last night: "We are pledged to consider reintroducing capital punishment for terrorists."

Army girls taunted: Six young members of the Woman's Royal Army Corps on duty searching female visitors at the Maze prison, at Loog Kesh, Northern Ireland, yesterday, had to endure jeers and insults from relatives of republican inmates.

He and his wife, Dorothy, aged 35, were taken to hospital with four of their staff.

The five people killed at Guildford died from blast injuries, Lieutenant Colonel George Maxwell, Surrey county coroner, was told at an inquest yesterday.

He adjourned it for at least four weeks after hearing evidence of identification and the causes of death. Certificates were issued so that relatives could make funeral arrangements.

The breweries which own the two public houses are giving £5,000 each to the Mayor of Guildford's Distress fund, which has been set up to give immediate relief to the victims.

Mr. Rankin: "Because the incident had happened, you know there had been a bomb incident at Aldershot and seven people had been killed?" The detective replied: "Yes."

Mr. Rankin continued: "So the enormity of the confession must have dawned on you? And two days later this girl who made this confession was released?"

The detective replied that his job was to collect intelligence and pass it on. He agreed with Mr. Rankin that he had appreciated the significance of what Miss Ward had been saying.

The trial continues today.

Guildford's fund for bombing victims

Continued from page 1

were sitting. I do not know whether they were involved. They left the pub and said they were going to the Seven Stars. They came back a short time later and then both went out about 10 minutes before the bomb went off. They said they were army girls."

Mr. Owen O'Brien, aged 35, licensee of the Seven Stars, described how he cleared his crowded bar of customers after the explosion at the Horse and Groom. He is in Farnham Hospital with injuries.

He said his public house was crowded when a man ran in and shouted that the Horse and Groom had been blown up.

"I went to see for myself," he said. "I saw the state of the place and went back and told my staff to clear our pub. The staff were very good and got all the customers out."

"They looked under chairs and tables for anything that had been left behind, but did not find anything." He thought the bomb must have been behind the juke box in the saloon as that was the only place they did not check.

After the explosion a fireman took the children and another carried him out through the back door of the public house.

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Riccardo Muti rehearsing with the New Philharmonia Orchestra for a concert at the Festival Hall, London, tonight.

Faulkner minister gives backing to Mr Craig

From Robert Fisk Belfast

If proof were needed that the spirit behind the defunct power-sharing executive in Northern Ireland had died, it came yesterday when a former minister gave his full support to Mr William Craig, the Vanguard leader, in the election campaign.

Mr Roy Bradford, Minister of the Environment in Mr Faulkner's coalition Administration until it collapsed last May, said he was urging all his supporters to vote for Mr Craig in the Belfast, East, constituency.

He added that any participation in the machinery of government must be totally acceptable to the majority.

Mr Bradford's conversion to the "loyalist" cause has long been predicted. He is still a member of the official Unionists and even during the lifetime of the Executive his ministerial colleagues suggested that he was not giving the Administration his wholehearted support.

Some believe he was in league with the Protestant strikers who brought down the Executive. Mr Craig, of course, was among politicians who backed the strike.

Scots death inquiry may assist hospitals

From a Staff Reporter Edinburgh

A committee of inquiry to be set up to examine administrative procedures at Ruchill Hospital, Glasgow, will provide lessons for use in other Scottish hospitals, it was announced yesterday.

Jessie McTavish, aged 34, a sister at the hospital, was sentenced at the High Court to Edinburgh yesterday to life imprisonment for the murder of an elderly patient there. The inquiry was announced afterwards by the Greater Glasgow Health Board.

Mr Simpson Stevenson, its chairman, said: "The lessons we learn will not be for Ruchill Hospital alone but will be used as a yardstick for the standards for all our hospitals."

The investigation would be speedy and thorough and the results would be made public. The board is to ask the Crown authorities for the transcript of evidence given at Sister McTavish's trial.

Certain other activities in the hospital will be investigated," Mr Stevenson said. "This has been a very sad and disturbing case. . . . There is no doubt in my mind that the nurses in all our hospitals, give their patients the best possible care and attention, often in very difficult circumstances."

He said press reports of evidence at the trial were all the board had to go on so far, but they presented disquieting features.

Other aspects of the Ruchill case, raised by Glasgow newspapers, will also be investigated. The Scottish Office said: "On the facts as so far known there does not appear to be a case for a national inquiry but the Secretary of State will in any event, be keeping in touch with the health board. If the board wishes guidance the Secretary of State will be happy to provide it."

'Girl freed after telling of IRA map'

Mr Geoffrey Coleman, a regular soldier, said at the M62 coach bomb trial at Wakefield Crown Court, West Yorkshire, yesterday that he was startled at an interview in Londonderry in September, 1972, when Judith Theresa Ward, now charged with 12 murders, spoke of drawing a map of Aldershot for two IRA men. He reported it to his superior officer but two days later Miss Ward was released. He said she had admitted acting as a courier for the IRA.

An RUC policeman, who the prosecution requested should not be named, told the court that she was present in 1972 when Miss Ward was interviewed.

She remembered little about the questions and answers but recalled that Miss Ward made a sketch map of Aldershot. She continued: "I was amazed at this coming into the conversation. I was amazed at her being a WRAC and saying she had given this information to some friends of hers who I think were members of the IRA."

A second woman police constable who also asked not to be named, said she remembered Miss Ward saying she had passed information to the official IRA about a plan of Aldershot.

Yesterday was the third day of the trial of Miss Ward, aged 25, of Stockport, Greater Manchester, who is charged with murdering 12 people in an army bus on the M62 in Yorkshire last February. She is also charged with causing explosions at the National Defence College, Latimer, Buckinghamshire, at Euston station, London, and in the army coach. She has pleaded not guilty to all the charges.

A detective in the Special Branch of the Royal Ulster Constabulary, who the prosecution asked should not be named, said he interviewed Miss Ward at Ebrington Barracks, Londonderry, in September, 1972, but made no notes in a notebook, because that would be dangerous if the IRA should capture his notes.

The conversation with Miss Ward was written on foolscap paper.

Mr Andrew Rankin, QC, for the defence, asked: "She is making to you a confession, and her confession is that two persons, members of the IRA, asked her about the paras in Aldershot, and that they want the plan in retaliation for Bloody Sunday?" The detective replied: "That is my evidence."

Mr Rankin: "Because the incident had happened, you know there had been a bomb incident at Aldershot and seven people had been killed?" The detective replied: "Yes."

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'Lynch-pin' of bank fraud sentenced to 18 months

Sydney Bearn, a former bank manager, described by Judge Da Cunha at Manchester Crown Court yesterday as "the lynch-pin and nub" of a £450,000 bank fraud, was jailed for 18 months. Mr Bearn, aged 62, of Heaton Moor Road, Heaton Moor, Stockport, Greater Manchester, was told by the judge: "You are a sick and broken man."

Two company directors, Wilfred Briggs, aged 44, of Faulkner Drive, Timperley, Cheshire; and John Heywood, aged 41, of Tonge Road, Little Lever, Bolton, were convicted of conspiring to defraud the National Westminster Bank, the charge which Mr Bearn admitted. Mr Briggs was jailed for 12 months. Mr Heywood was given a six-month prison sentence, suspended for two years.

The prosecution had alleged that the fraud was achieved by "cross-firing" cheques worth £41m. Absent from the hearing was John Pollitt Davidson, aged 40, of Duffield Gardens, Middleton, Lancashire. He is in custody in Germany. Extradition proceedings have not been completed.

Two other company directors, Keith Briggs, aged 36, of Ennerdale Road, Partington, and Mark Klapstick, aged 47, of Fearnside Avenue, Whitefield, were found not guilty and discharged.

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Plea to ban use of news films in court

Mr Jenkins, Home Secretary, has been asked to ban the use of television news film as evidence in criminal cases. The plea follows the screening of unpublished film at the recent Scarman inquiry into the Red Lion Square demonstration in London in June.

The 14-minute film, taken for Independent Television News, was shown at the inquiry after

the company had been served with a summons to produce it. Now the Radin and Television Safeguards Committee wants to make sure that it cannot happen again.

In a letter to Mr Jenkins, Mr Peter Plouvier, the committee's chairman, said that the use of news film might put journalists and camera crews in danger.

Clearly, if the films they are taking were likely to be used at some future date in prosecution

of either demonstrators or police, the cameramen and journalists would be in grave danger of becoming targets for personal violence.

The committee consists of 13 organisations whose members are professionally involved in television and radio. The Scarman inquiry into the Red Lion Square clash at which Mr Kevin Gately, a student, collapsed and later died, was shown film supplied by the BBC.

TV journalists decide today whether to strike

By Our Labour Staff Union leaders of 160 journalists in regional independent television companies will meet today to decide whether to resume their strike after the failure of peace talks yesterday, held under the auspices of the Conciliation and Arbitration Service.

The journalists seek pay parity with their colleagues in the BBC, which they say will require salary increases of two fifths.

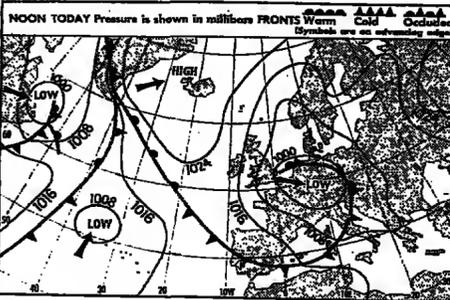
Regional news programmes were blacked out for most of last week when the journalists struck. They have rejected an offer from the companies of rises of 19 per cent.

Representatives of office branches of the National Union of Journalists in the companies will decide their next move after hearing a report today of yesterday's talks from Mr Kenneth Morgao, the union's general secretary, at the union's headquarters in London. Further talks are expected at the Conciliation and Arbitration Service's office today in a further effort to resolve the dispute.

Productivity plan request: The National Coal Board today asks miners' leaders to submit details of their proposal for a national productivity scheme, after their rejection last week of incentive bonuses tied to coalface performance (our Labour Editor writes).

The request is made more from politeness than anything else, because negotiations have failed twice in the past two years.

Weather forecast and recordings



NOON TODAY Pressure is shown in millibars. Fronts shown as solid lines with triangles (cold) or semicircles (warm). Symbols are an advancing edge.

Today Sun rises: 7.12 am Sun sets: 6.24 pm Moon sets: 2.33 pm

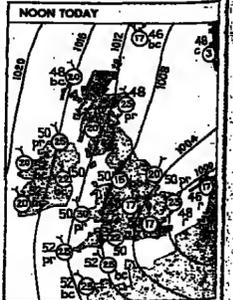
Last quarter: 8.46 pm. Lighting up: 6.54 pm to 6.44 am. High water: London Bridge, 6.33 am, 6.4m (21.1ft); 7.3 pm, 6.5m (21.3ft). Avonmouth, 12.4 pm, 10.9m (35.8ft). Dover, 3.44 am, 5.9m (19.2ft); 4.15 pm, 5.7m (18.8ft). Hull, 11.11 am, 6.3m (20.6ft); 11.28 pm, 6.2m (20.5ft). Liverpool, 4.5 am, 7.5m (24.7ft); 4.30 pm, 7.5m (24.6ft).

A N airstream will persist over all areas.

Forecasts for 6 am to midnight: London, E Midlands, SE, central N England: Showers, perhaps longer periods of rain, few brighter spells; wind N, fresh or strong; max temp 12°C (54°F). East Anglia, E England: Rain at times, some brighter intervals later away from coast; wind N strong; max temp 9° to 10°C (48° to 50°F).

Shetland, Orkney, Shetland: Showers, sunny intervals; wind N fresh or strong; max temp 10°C (50°F).

Outlook for tomorrow: c, d, f, fair; r, rain; s, sun.



NOON TODAY

Thursday: Continuing quite cold with showers or longer outbreaks of rain, but many N and W winds will be strong and will become drier and brighter. Sea passages: S North Sea; Wind N, fresh or strong; sea moderate or rough.

Dover Strait, English Channel (E): Wind N, strong or gale, sea rough or very rough.

St George's Channel, Irish Sea: Wind N, strong, occasionally gale, especially at first; sea rough or very rough.

Yesterday

London	Temp: max, 7 am to 7 pm, 9°C (48°F); min, 7 pm to 7 am, 4°C (39°F); sun, 7 pm to 7 am, 0.33in. Suo, 24hr, 0.7hr. Bar, mean sea level, 7 pm, 997.3 millibars, rising to 1,000 millibars, 25.3in.
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HOME NEWS

Coal may take over as oil becomes too precious to use as fuel

By Pearce Wright Science Correspondent

Over the next 20 years oil will become too valuable to burn as fuel, Mr Leslie Grainger, chairman of the National Coal Board, said last night. He was speaking on the eve of the two-day international meeting in London, starting today, to discuss progress in research into more effective ways of using coal as a direct energy source and as a raw material for the chemical and other industries.

Cell 'an inferno during suicide attempt'

From Our Correspondent Winchester

Two young prisoners turned their cell in Winchester prison into an inferno during a suicide attempt, but one died, it was stated at Winchester Crown Court yesterday. When the door was forced, Kevin Harry Lant, aged 19, ran out with his hair and clothes on fire.

Chief inspector on travel expense charges

From Our Correspondent Northampton

Chief Inspector John Ballard, aged 48, of Thames Valley Police, stationed at Buckingham, pleaded not guilty at Northampton Crown Court yesterday to 19 charges of falsifying monthly travelling expenses. He also pleaded not guilty to six charges of falsifying quarterly telephone accounts.

In brief Students 'sleep in lounges'

Hundreds of students at universities have over the weekend, the National Union of Students said yesterday, at Warwick University, 200 students were sleeping in trunk rooms and lounges in halls of residence.

Cardinal Heenan

Cardinal Heenan, Archbishop of Westminster, was discharged from Papworth Hospital, near Cambridge, yesterday, after being a patient for just over a month recovering from a heart attack.

Water over supporter

Ronald Durban, aged 43, of Tredegar, Gwent, Cardiff City FC's physiotherapist, who poured a bucket of cold water over a York City supporter, was fined £20 by York magistrates yesterday.

Abortion Act survey

Professor Jack Scarisbrick, chairman of Life, an anti-abortion organization, said yesterday that a survey showed that at least 70 per cent of Parliament supported repeal of the Abortion Act, 1967.

Tortoises hatch out

Two tortoises, both doing well, are being reared by Mrs Pearl Berry, of Lansdown Close, Bude, Cornwall, after hatching out from eggs laid by the family's pet tortoise.

Home for art gift

A centre costing more than £500,000 is to be set up in Norwich for the £3m art collection given to East Anglia University by Sir Robert and Lady Sainsbury.

Workers' paper editor named

Mr Frederick Sillitto, former deputy editor of the Scottish Sunday Express, is to be editor of the newspaper planned by workers made redundant by the closure of the Beaverbrook newspapers in Glasgow.

Police chief had £400,000, magistrate told

A former Hongkong police chief's wealth increased from £90,000 in the early part of 1971 to more than £400,000 by June, 1973, Sir Frank Milton, Chief Metropolitan Magistrate, was told at Bow Street Magistrates' Court yesterday.

Undertakers 'not garbage disposal units'

Undertakers must not continue to be regarded by the public as "garbage disposal units", Mr Alex McKinnon, of Glasgow, president of the Co-operative Funeral Service Managers' Association, said at the association's annual conference in Scarborough yesterday.

Heads' complaints about council cash challenged

Reports that some local authorities are bankrupt were "totally without foundation", Mr Eric Wood, director of the Chartered Institute of Public Finance and Accountancy, said yesterday.

Invalid tricycles 'have twice car injury risk'

Invalid tricycles issued by the Department of Health and Social Security to disabled people are at least twice as likely as cars to be involved in personal injury accidents, according to official calculations.

Woman cleans off slogans

Vera Newman, aged 37, an English teacher with the Inner London Education Authority, who sprayed paint on a public house and shops, had cleaned up the mess by yesterday as ordered last Saturday, it was stated at Old Street Magistrates' Court yesterday.

Woman cleans off slogans

Miss Newman, of Haverstock Street, Islington, was fined £15 on each of three charges of defacing property by spraying slogans on a public house and shops in Islington yesterday and being seen to do so.

GENERAL ELECTION

Minister says prices offer to industry may be withdrawn

By George Clark Political Correspondent

The Government might have to reconsider its offer to revise the prices code as it affects the allowance for wages if manufacturers "work in an irresponsible fashion", Mrs Williams, Secretary of State for Prices and Consumer Protection, said yesterday.

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Inquiry goes on

After further evidence from workers yesterday the inquiry into the explosion at the Flixborough chemical plant in Juxon, when 28 people died, was adjourned until today.

Tortoises hatch out

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Mr Powell keeps coalition option open

From Christopher Walker Leeds

Looking more aggressive and confident than at any time during the campaign, Mr Thorpe last night delivered a detailed attack on the two-party system. The Liberal leader maintained that the only way voters could make the election meaningful was to seize the opportunity "to change the face of British politics".

Mr Thorpe appeals for end to divisions

He told an enthusiastic audience at Leeds: "There are sufficient people of like minds in this country to end the politics of division and bring us all together under a government of reconciliation." "There must be an end to the suicidal conflict between managers and men. There must be an end to governments that say one thing one day and do something different the next. There must be an end to a society that allows the haves to have more and the have nots to go to the wall. There must be an end to a system that crushes against the individual."

Three party leaders return to the major poll issues

Within 48 hours of polling day, it may be said that the leaders of the three main parties have nothing new to offer, or else that they are returning on the last lap of the campaign to the big issues with which they started a fortnight ago. Yesterday in Smith Square Mr Heath argued that Labour's economic policy, based on the social contract, had demonstrated that only a Conservative government could deal with the lowering crisis.

Union control of Labour Party denied by Mr Jones

Mr Jack Jones, general secretary of the Transport and General Workers' Union, denied at Welwyn Garden City last night that trade union leaders controlled the Labour Party. "Of course we put forward our views," he said, "as we did with the social contract which is a joint policy to create a better climate in industry and society. The same policy was presented by the TUC to the last Conservative Government and rejected by them on all essentials, including our proposal for a substantial increase in old age pensions (to a minimum of £10 single and £16 for a married couple)."

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THE WOMEN WILL DECIDE

"No British housewife needs reminding. The price of her shopping has risen by more than 50p in the £ since 1970. She even faces shortages. Every £ she or her husband earns is now worth half as much as ten years ago. Since 1964 house prices and mortgage rates have more than doubled, while the value of her savings has declined. Women have had enough of political mud-slinging. The fight in industry, the power of the Unions, the power of Big Business. Inflation. They always seem to hit her pocket first. Ten years of Labour or Tory majority Government never solved inflation for her, or for the rest of us. Ask yourself, will it now? We must break with the past. Only a radical Government led by Liberals has a real chance of breaking new ground in politics, policies, and attitudes. I believe the women of our country recognise this. Don't put the clock back. Every Liberal vote counts. Break with the old system and on Thursday together we can make history."

One more heave!

Jeremy Thorpe Leader of the Liberals

Take power. VOTE Liberal

GENERAL ELECTION

Mr Callaghan tries to pin down Mr Heath on GNU

From Arthur Osman Salford Mr Callaghan, Secretary of State for Foreign and Commonwealth Affairs, posed a series of questions to Mr Heath yesterday, saying: "He owes it to the country to come clean about a government of national unity."

Mr Heath parries leadership questions

By John Winder Mr Heath came under close questioning about the concept of a government of national unity when he answered questions from listeners on Election Call on BBC Radio 4.

Mr Thorpe appears to rule out coalition

By Our Political Staff Mr Thorpe, leader of the Liberal Party, appeared last night to rule out the possibility of joining a coalition with a Conservative government.

Mr Foot preaches the gospel he had a chance to practise

By Alan Hamilton Listening to Michael Foot on the stump is the nearest thing the election can offer to a gospel meeting. Flawless, impassioned oratory rolls from the pulpit to lap the ears of the faithful and uplift their hearts for the hard times ahead.

The living embodiment of Labour's conscience appears somewhat on the defensive Mr Foot preaches the gospel he had a chance to practise

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After a meeting outside the Vauxhall works at Luton, Mr Foot gets rapt attention from a voter.

Election notebook

The election manifesto of the Alternative Society, broadcast by Bit, the 24-hour information and help service for those in need of the kind of help end on his tour of marginal, he is asked pointedly if he will resign should pay controls be imposed.

did no more than correct the injustices of Tory pay controls. To a heckler in Lanark, who calls him and Mrs Judith Hart a pair of emiable bastards and demands to know if Mr Foot wants a settlement at Ford at any price "like the miners", he is at pains to point out that there has been no surrender to the trade unions.

The dubious lessons of a British election

As if Portugal does not have enough political troubles of its own, a deputation of Portuguese officials has arrived to study the mechanics of a British general election. The deputation of five from the Portuguese Electoral Commission, led by Lieutenant-Colonel A. do Nascimento, hopes to pick up some hints on how to run a straight election, an operation their few living Portuguese have experienced.

than social contracts or union power. His central theme is one of optimism and one of faith in the British character. The penic on the gloom are largely confined to Fleet Street and the Stock Exchange, and he finds the rest of the country in general, and Labour Party workers in particular, in remarkably good shape.

Workers might face threats, Mr Benn says

Mr Benn, Secretary of State for Industry, last night said that managements might threaten workers' jobs as a tactic to frighten them against voting Labour.



Mr Edward Milne, Independent Labour candidate for Blyth, finds independence and solitude on the beach.

Suspensions linger in North-east

From Penny Symon Newcastle upon Tyne The woman in the corner shop in a bleak village a few miles north of here narrowed her eyes and said: "There was a council official who retired early recently—I think there was more to that than meets the eye, and it must be brought out into the open if he was up to something. Too much of it has been allowed to go on."

Jenkins view of inflation

From Peter Evans Llandoverly Mr Jenkins, Home Secretary, spoke last night of the need for international action to deal with inflation. "We have to face it in an international way," he said in Llandoverly.

Arts policies differ on VAT

By Kenneth Gosling To the backing of a stern warning by Sir Hugh Willatt, secretary-general of the Arts Council, that no extra money will be available to arts organizations which get into deficit this year, the three main political parties have all now expressed their policy.

Berwick upon Tweed

Description The land, the sea and a sprinkling of coal are the resources that dominate the 400 square miles of Berwick upon Tweed. There is productive countryside in the north, small areas of industry in the south, and two collieries are still producing. But the region feels sensitive to the economic chill.

Fight for 39 vital marginals: Part 14

Rossendale Description The three towns of any size in the constituency are Rawtenstall, Bacup and Ramsbottom. Until the recent local government reorganization, Rossendale did not exist as a town or village. The Forest of Rossendale, the last vestige of which disappeared years ago, inspired the name chosen by the new district council.

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Conservative Ronald Bray (52), won the seat for the Conservatives in 1970 and again in February, Engineer, farmer, and Lloyds underwriter. Contested Stockport-on-Tees in 1964. Former member of Working Urban Council, secretary of Conservative parliamentary employment committee, and of North-west group of Conservative MPs since 1972. Educated at Latymer Upper School, London.

Labour Michael Noble (39), industrial relations consultant, principally in textiles. Contested Manchester, Withington in 1970, and Rossendale last February. Former chairman of Burnley education committee and member of Burnley council, 1974-74. Educated at Hull Grammar School, Sheffield and Hull Universities. Former tutor in industrial studies, Workers' Education Association.

Liberal John Hamilton (43), insurance broker. Contested South Belfast in the 1963 by-election, and Mid-Armagh in the 1965 Stormont election.

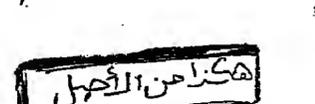
Table with 2 columns: Party and February result. Rows include Conservative (50,055), Labour (16,040), Liberal (15,243), and Majority (10,478).

Liberal Alan Beith (31), Liberal spokesman on home affairs. Educated at King's School, Macleod, field, Balliol and Nuffield colleges, Oxford. University lecturer. Member of General Advisory Council of the BBC, Tynesdale District Council and Hexham Rural Council. From March, 1974, Liberal spokesman on Northern Ireland.

Conservative Charles Baker-Cresswell (39), tenant farmer from Bamburgh. Educated at Winchester and the Royal Agricultural College, Cirencester. Married, with three sons. Great-nephew of Sir Edward Grey, the Liberal Foreign Secretary who represented Berwick for 25 years. Co-opted member of the Northumberland County Council social services committee.

Labour Geoffrey Spain (52), colliery electrician employed by the National Coal Board. Represents the mining community of Amble on Northumberland County Council.

Table with 2 columns: Party and February result. Rows include Conservative (41,553), Labour (15,732), Liberal (15,289), and Majority (4,325).







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WEST EUROPE

M Giscard and Mr Ford agree on Martinique as venue of summit discussions in December

From Charles Bargrove Paris, Oct 7. President Giscard d'Estaing will meet President Ford in Martinique on December 14 for three days of talks, it was announced by the Elysée Palace today. It will be the seventeenth Franco-American summit since 1945.

M Giscard is combining the summit with an official visit to the French West Indies. He announced his intention to go there before the end of this year at a reception in July at the Ministry for Overseas Territories.

The agenda for the Franco-American talks has not been disclosed. The two Presidents will discuss "questions of mutual interest", in the words of the official communiqué. It is safe to assume that they will devote a large part of their discussions to the customary review of world problems, and that the energy crisis and its repercussions on Western economies will loom large.

Poll results favour French left

From Our Own Correspondent Paris, Oct 7. All commentators, beginning with M Poniatowski, the Minister of the Interior, have acknowledged the second ballot of the by-elections yesterday, in which two former ministers of the Messmer Government were elected by a narrow margin, and two were defeated by a substantial one, mark progress of the left.

10 years even against some sections of his own Socialist Party, is obviously beginning to bear fruit. But what is interesting is that the election of M Yves Guéna, in Périgueux by more than 2,000 votes against a Communist candidate, who had a good chance of winning, shows that if the Communists play the game of unity and support the Socialist when he carries the standard of the left, the reverse is not true.

In the opinion of political experts, this could mark the beginning of a process of backsliding by the Communist Party in the French political spectrum. It is not something that can cause the Government majority to rejoice, as it makes a possible coming to power of the left more likely. But if it were confirmed, it could have incalculable consequences for the future of French political life, and herald the birth of a real alternation of the left and the others to power.

New Zealand seeks better EEC dairy deal

From Our Correspondent Wellington, Oct 7. New Zealand took a bipartisan stance on British entry into the European Community, regarding it as a domestic issue, and it would be a similar stance on a British withdrawal, Mr Rowling, the New Zealand Prime Minister, said today.

Millionaire shot dead by his own dog

From Our Own Correspondent Bonn, Oct 7. A West German millionaire was shot dead by his own dog at the weekend, the Bavarian state police confirmed today. Herr Paul Jahn, aged 53, owner of an electric light bulb factory in Coburg, laid his triple-barrelled shotgun loaded and with the safety catch off, on the back seat of his car. He had spent Saturday hunting deer alone on the shooting ground he owned in the forest near Coburg.

3,000 charges at trial of Danish party leader

From Our Correspondent Copenhagen, Oct 7. Mr Mogens Gistrup, a Danish politician and lawyer, who has said it is the patriotic duty of every Dane to avoid paying taxes, went on trial today faced with a charge sheet 143 pages long.

Portuguese worked with a will on Sunday jobs

From Jose Shercliff Lisbon, Oct 7. Portugal's "working Sunday for the nation" yesterday was such a success that it is likely to be repeated. Brigadier Vasco Gonçalves, the Prime Minister, has received a telegram from a group of workers suggesting that it become a regular institution. Other workers have suggested an hour's extra work a day for the nation.

OVERSEAS



Parents with children watch tanks rolling through the streets of East Berlin yesterday during an East German Army parade to mark the twenty-fifth anniversary of the German Democratic Republic.

Protests at military display in East Berlin

From Gretel Spitzer Berlin, Oct 7. The three Western commanders strongly condemned today the display of East German military power in East Berlin. In a statement they said that the participation of military units in the parade on the occasion of the twenty-fifth anniversary of the German Democratic Republic, was illegal and a renewed violation of the demilitarized status of Berlin.

metre medium-range missiles. Mr Leonid Brezhnev, the Soviet party leader, Marshal Andrei Grechko, the Defence Minister, and Mr Andrei Gromyko, the Foreign Minister, were among the foreign guests. They also included Marshal W. Chulikov, honorary citizen of East Berlin.

Today's anniversary also marked the date on which the changed constitution entered into force. The changes unanimously adopted by the East German Parliament without any previous reference to the public, eliminate all of power in one German nation and in one efforts to unite the country. Instead the socialist character of East Germany and its close links with the socialist camp are emphasized.

integration of East Germany into the Soviet system. Bonn, Oct 7.—The West German Government sent two ministers today to a reception in Bonn commemorating the twenty-fifth anniversary of East Germany. But both omitted to congratulate the East German representative.

New Fanfani government is proposed

From Peter Nichols Rome, Oct 7. President Leone tonight concluded his last round of consultations with political leaders as the idea gained strength of replacing the fallen government by another Centre-Left coalition.

Climate of Cyprus talks improving as support for Mr Clerides grows

From Paul Martin Nicosia, Oct 7. The leaders of the Greek and Turkish communities in Cyprus today resumed talks aimed at finding a solution to immediate problems facing the island. They also began to lay the ground for a more far-reaching agreement to end inter-communal strife.

Mr Giakos Clerides, the acting President, had called a halt to talks with Mr Rauf Denktaş, the Turkish Cypriot leader, 10 days ago. It was agreed that his position had to be defined in view of the plans of Archbishop Makarios to return to Cyprus. However, Mr Clerides reiterated the talks today, reinforced by support from the Archbishop and the Greek Government.

Besides their scheduled discussions on humanitarian issues arising out of the Turkish invasion, the two leaders also had a private meeting at which they sounded out each other on the possibility of getting down to a review of the island's future.

Tanks ring Addis barracks to halt revolt

From Michael Knipe Addis Ababa, Oct 7. Ethiopian tanks entered the barracks of a dissident engineering unit here today apparently to assert by military means the authority of the provisional military Government.

Saudi Arabia on Kissinger peace-seeking itinerary

From Fred Emery Washington, Oct 7. Dr Henry Kissinger, the Secretary of State, told a news conference today that he had added Saudi Arabia to the list of countries he is to visit on his journey to the Middle East, beginning tomorrow. But he excluded the possibility of meeting any Palestinian leader.

He insisted that there was no negotiating link between oil and peace. He said that the settlement he is pursuing, he has been unable to extract assurances from the Soviet Union of a firm number of Jewish emigrants who would be allowed to leave each year. This had led to an impasse.

Zanu repudiates Britain's role on Rhodesia

Lusaka, Oct 7.—The Rhodesian nationalist movement Zanu said today it no longer recognized Britain as the administrative power of breakaway Rhodesia.

Zanu (Zimbabwe African National Union) said in its official organ Zimbabwe News that it considered Britain lost control of Rhodesia in 1965 when it failed to crush the territory's unilateral declaration of independence (UDI).

Russia feeling impact of inflation in the West

From Edmund Stevens Moscow, Oct 7. Cancellation of contracts for the sale of 125 million bushels of American grain to the Soviet Union came as a double surprise to officials at the United States Embassy in Moscow. They were neither aware of the deal nor of the fact that Russia would be importing grain this year, as its harvest is said to be good.

approach often used to convey Soviet opinion without stating it directly; but the inconvenience that may be caused now by cancellation of the grain contracts, mostly for wheat and maize for fodder, is negligible compared with the impact of rising inflation or Russian efforts to obtain long-term credits for American and other Western technical machinery and equipment.

Moscow could hardly have voiced approval of President Ford's warning on oil prices as this would be in complete contrast to its total commitment to the Arab cause and a departure from its position that the Arabs are always right. At the same time, in private conversations, responsible Russians have been strongly critical of the fivefold increase in oil prices imposed by the Organization of Petroleum Exporting Countries (Opec).

In spite of the postures it assumes and the statements it issues for propaganda purposes, the Soviet Union has no desire to disrupt the world economy with which it now has so many links that a serious recession in America, Western Europe or Japan would have adverse repercussions on the Soviet economy.

One-franc claim in 'Trial of Jesus' action

From Our Own Correspondent Paris, Oct 7. In a case which opened today the civil court of Troyes being called upon to hear evidence as to whether the Jewish people were guilty oficide, or whether the death of Christ on the cross was the responsibility of the Roman authorities.

Four die as aircraft crashes into house

Bielefeld, West Germany, Oct 7.—A woman and child and two airmen were killed when a USAF Phantom aircraft crashed on a house here today.

North Sea oil helps to cut Norway's income tax

From Our Correspondent Oslo, Oct 7. Norway's North Sea oil will benefit taxpayers with cuts of up to nine per cent in income tax in the 1975 state budget published today.

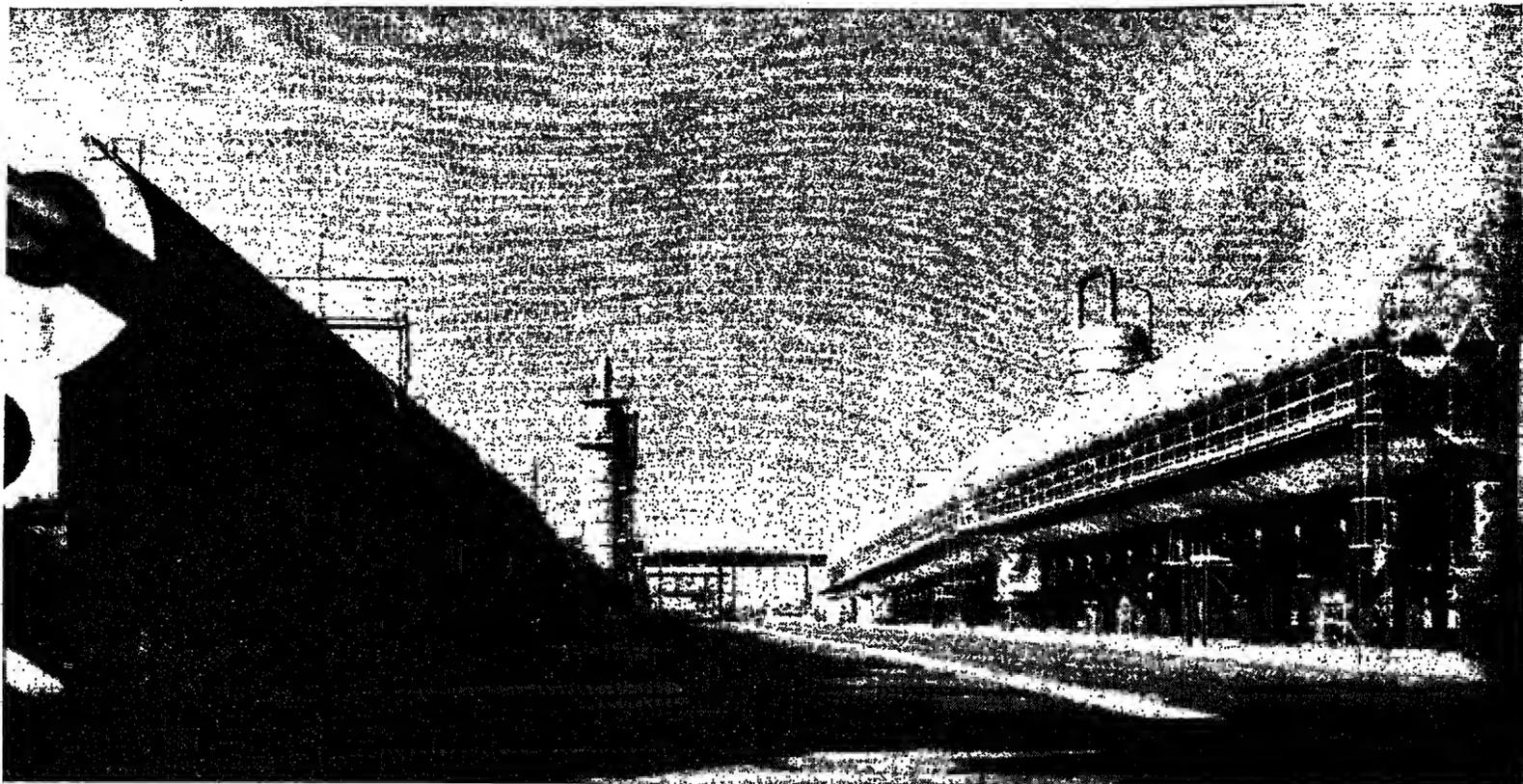
North Sea oil helps to cut Norway's income tax

The tax relief totals about 2,000 kroner. For wage-earners this means 2,000-3,000 kroner a year. However, Norwegians, in addition to the income tax paid to the Government, also pay income tax to local authorities and they have not been as generous as the Government.

Advertisement for Omega Electronics watches. Text: 'FOR ALL THE NEW OMEGA ELECTRONICS'. Includes an image of a watch and contact information for the London Showroom.



# TECHNOLOGY

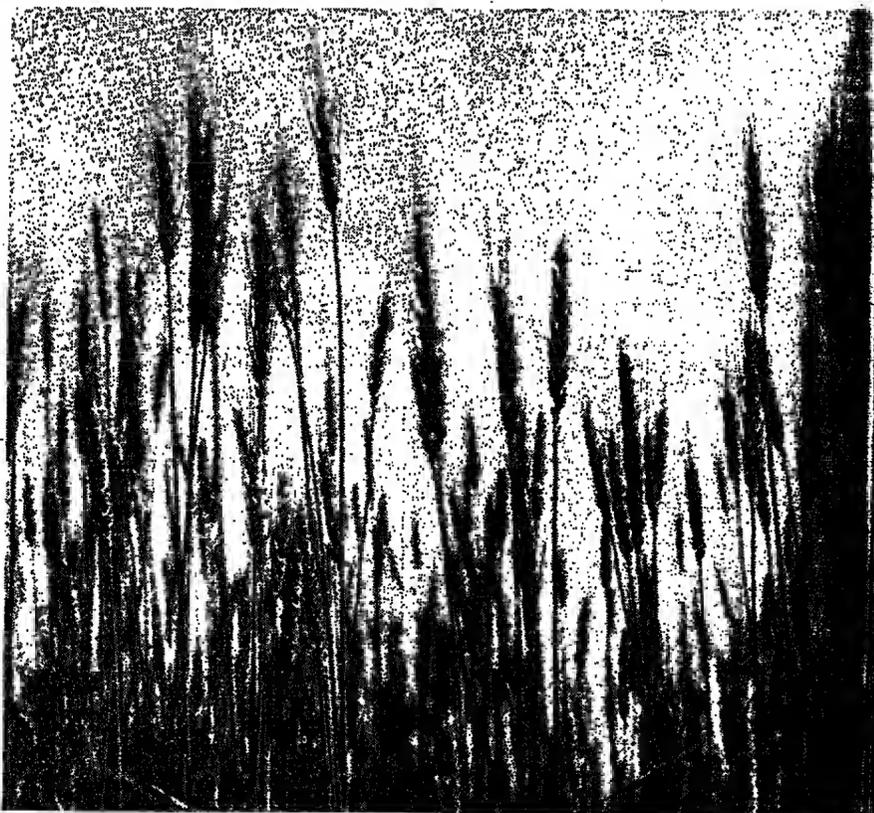


S.I.R.'s technology for desalinators has won a new and important recognition with the award of an international tender held by the Qatar Government for the supply of a seawater desalinator with a capacity of 1,850 cu. mt/hr.

This asserts the award a few months ago of a similar tender held by Bahrain.

The plant planned for Qatar is a double module of the multiple expansion and recirculation type, similar in kind both to the one under construction in Bahrain and the one already on stream in the industrial complex at Porto Torres which includes the biggest desalination line in the world with a capacity of 1,500 c u. mt/hr.

With its technology S.I.R. holds a leading position just at the moment in time that the increase in the world's water resources can no longer be delayed.



S.I.R. has developed a process which allows the industrial scale production of a clayey soil conditioner obtained from ferrous sulphate a by product in the production of titanium dioxide.

This process solves two problems, the possibility of utilising vast areas of otherwise unproductive land for agriculture and the use of industrial waste, the infamous red muds, amongst the worst pollutants and most difficult to dispose of.

# SOCIETÀ

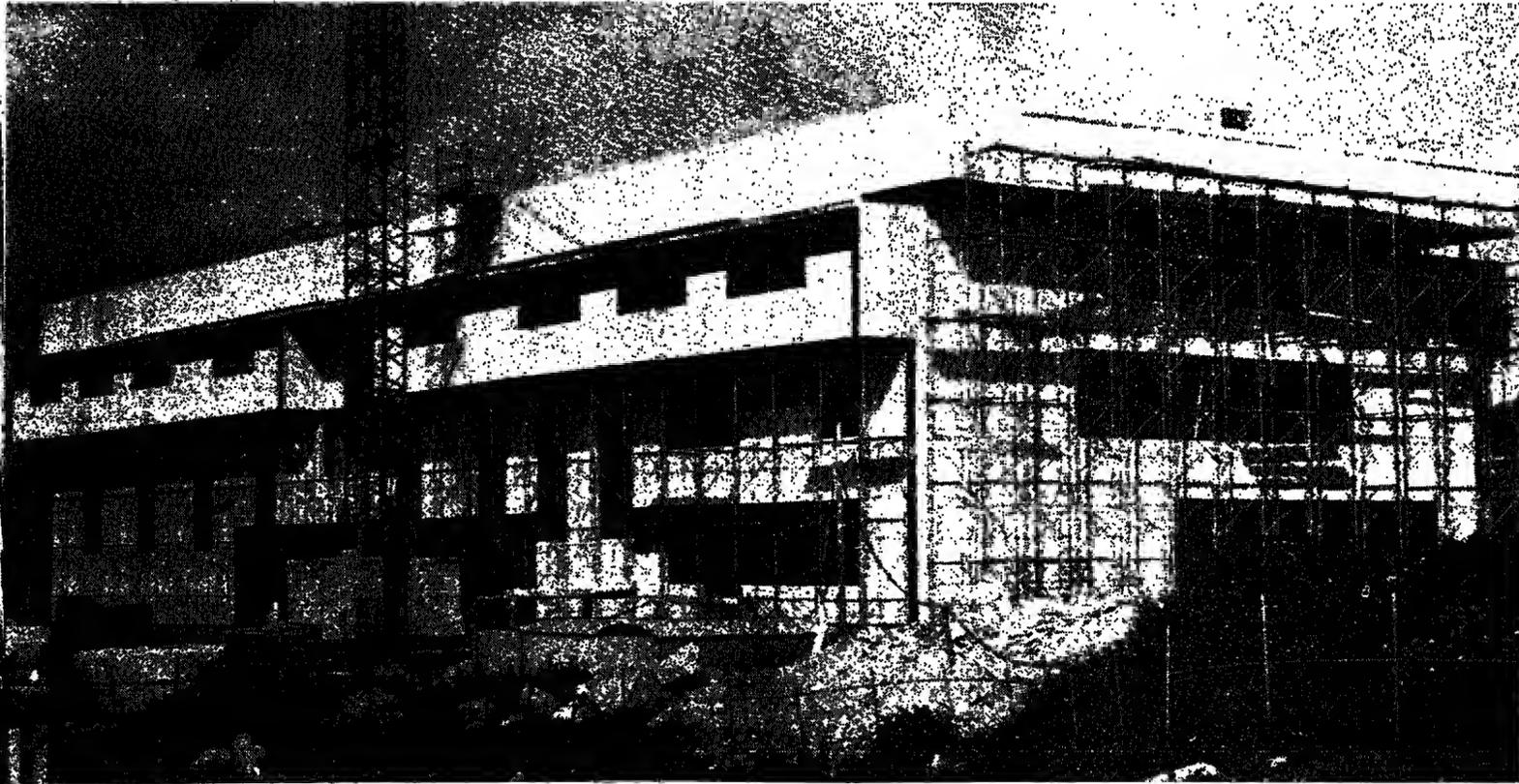
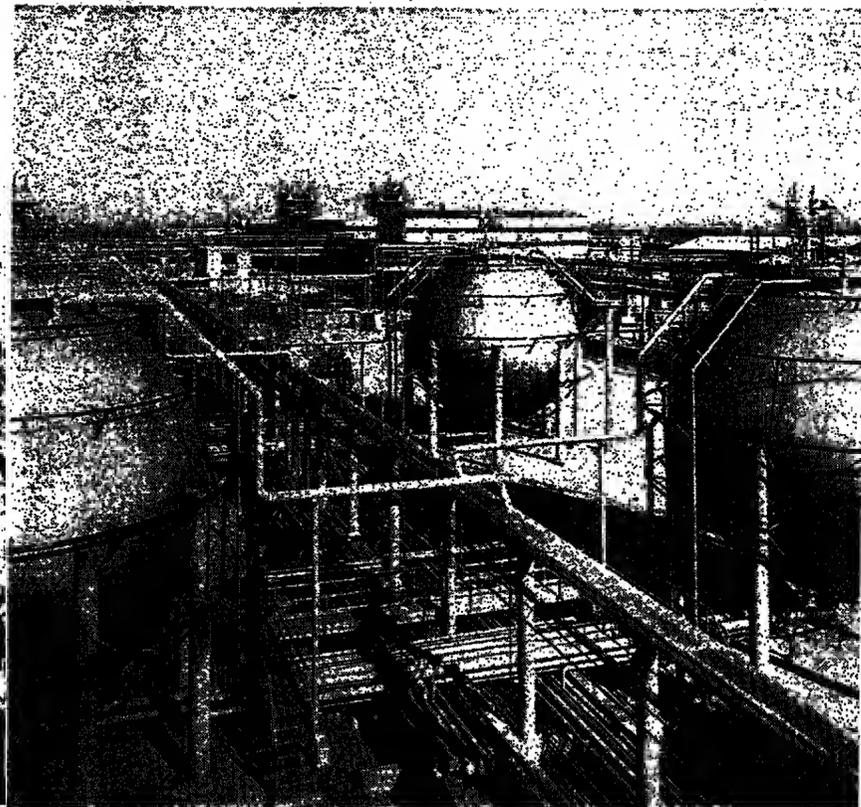
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# FOR EXPANSION

Following the elastomer development programme after solid SBR rubbers, polybutadiene for ABS and lattices, S.I.R. has perfected – the first in Europe – the technique for the production of polybutadiene rubbers without styrene. These new elastomers produced by emulsion polymerisation offer significant economic advantages and exhibit rather interesting technical characteristics: low temperature flexibility, high abrasion resistance, superior ageing resistance, reduced reversion tendencies, good elastic yield and notable dynamic properties.

These properties, mainly due to the special control over the molecular weight distribution, could create new technical and economic uses.

In the industrialised building sector S.I.R. is developing, in conjunction with its associated companies a vast technical and production programme. The firm COPRE with CESPAN® panels, COLORPLAST with door and window frames in rigid extruded PVC, MVR with panels made from glass fibre, polyester resin and expanded rigid polyurethane, SIPEA with floor and wall coverings have made a wide and substantial contribution to the building firms that have built houses, holiday sites, schools and industrial buildings. Amongst the most important constructions using components produced by S.I.R. associated companies are: the school at Bonorva, the kindergarten at Milano San Felice, the main building of the faculty of chemistry and biology at the University of Ferrara and the holiday village at Campo di Mare.



# ITALIANA RESINE

OVERSEAS

Tokyo uproar over report that US Navy vessels are bringing nuclear weapons into Japan

From Peter Hazelhurst Tokyo, Oct 7

Mr Kakuei Tanaka, the Japanese Prime Minister, called senior Cabinet ministers for urgent consultations in Tokyo today as a storm of protest began to build up across the country over reports from Washington implying that the United States Navy had secretly taken nuclear weapons into its bases in Japan in violation of the bilateral security treaty.

The Japanese Government has also undertaken in the past that Japan will "not manufacture, possess or allow nuclear weapons to be introduced into the country."

According to the Japanese press, the Government has been somewhat unnerved by the incident. Observers recall that students who demonstrated against the ratification of the United States-Japan security treaty 14 years ago forced President Eisenhower to cancel his proposed visit to Japan in 1960.

Uranium is smuggled from Indian mine site

From Michael Hornsby Delhi, Oct 7

Preliminary inquiries by India's Central Bureau of Investigation (CBI) indicate that substantial quantities of uranium, valued at more than £1m, have been smuggled out of the country to China and Pakistan through Nepal.

FAO director says millions face starvation

From Our Correspondent Geneva, Oct 7

Mr Addeke Boerma, director-general of the Food and Agriculture Organization, said today that he saw "immediate and fearful threats for millions of people in Asia as a result of a perverse combination of floods and drought."

Mr McMahon's denial on CIA connexion

From Our Correspondent Melbourne, Oct 7

Mr William McMahon, the former Liberal Prime Minister of Australia, denied today that his Government had authorized the Australian Security Intelligence Organisation to cooperate with the American Central Intelligence Agency in any activity designed to overthrow the Allende Government in Chile.

Court told of N Korean assassination orders

Seoul, Oct 7.—Mun Se Kwan, aged 22, a Korean residing in Osaka, in Japan, today admitted charges that he attempted to assassinate President Park of South Korea, on orders from two North Korean agents operating in Japan.

Mr Kim Young Sam, the leader of the South Korean opposition New Democratic Party, today called for a constitutional change to end the "one-man dictatorship" of President Park and restore international faith in the country.

Mao Tse-tung quotation hints at failure of Chinese unity drive

From David Bonavia Peking, Oct 7

An admission that this year's intense political campaign has failed to achieve its objectives seems to be implied in the latest pronouncements by the official press of the Chinese Communist Party.

important not only because of its graphic metaphor, or the fact that it has been commonly used in recent times, but because of the context in which it occurred in the original lecture about tactics in the war against Japan.

Covert drive for mercenaries in South Africa

From Our Correspondent Johannesburg, Oct 7

Under the guise of a plan to organize a reunion, former Congolese mercenaries and other military specialists are being recruited in South Africa for an "in-and-out job" of about three months' duration.

Korchnoi illness delays game

Moscow, Oct 7.—The tenth game of the chess match between Viktor Korchnoi and Anatoly Karpov was postponed today until Wednesday because Korchnoi was ill.

Jewish festival near Moscow

Moscow, Oct 7.—The Soviet authorities allowed a group of about 90 Jews to hold a picnic in the countryside near Moscow yesterday to mark the Sukkot, a religious Jewish festival, sources said today.

Cornish potter wins award

Tokyo, Oct 7.—Mr Bernard Leach, the Cornish potter, aged 87, and Senator William Fulbright have been awarded the Japan Foundation awards for 1974.

Mr Brezhnev visit Mongolian capital

Moscow, Oct 7.—Mr Brezhnev, the Soviet Communist Party leader, will visit Ulan Bator next month as his first visit in eight years—to mark the fifth anniversary of the proclamation of the Mongolian Peoples' Republic, Tass reported.—Reuter.

Fashion by Prudence Glynn

In principle I am against people in public life being expected to practise everything they preach on the grounds that many of the most interesting theories would be unrealistic or physically impossible to their originators, that it would inflict an unfair burden on their hapless family and above all because the threat of having to implement thoughts would deplete the sparse supply of radical ideas.

At Harrogate provided those circumstances. The MAB treats itself to a very snazzy male fashion show complete with scenic devices of considerable skill. "Character" actors are dressed in the script. This gay cavalcade, which at the performance I saw got an ovation about on a par with that likely for a performance of Waiting for Godot in ancient Norse, was heralded by the president-elect of the MAB, Mr Basil Moss of Moss Bros.



● Above and right: Clothes shown at the Menswear Association of Britain convention at Harrogate last week. These pictures illustrate the major themes of pale, light-weight-look fabrics, checks of all sizes, and show how the Gatsby influence is still around, tempered with a touch of English country gent style.



● Above left: Tom Gilbey's jade green silk-surfaced suit with button-down pockets and shirt cuffs. Made in fabric from the Crown Collection by Reid and Taylor. ● Above right: Classic tails suit by Huntsman, the only break with tradition being the white satin lining of the coat. Made in Reid and Taylor's Crown Ermine, a mixture of ermine, cashmere and wool.

of the clothing of Mr Heath, Mr Wilson and Mr Thorpe. Quite rightly, he argued the strength of image in this television-conscious world: rightly he realizes the irreversible impact of first impressions, which are formulated, of course, by clothes; his constructive ideas for alternative dress for the three men was excellent and they should read it. But to deliver this homily Mr Moss chose to wear a suit the trousers of which showed not only the apparent patina of age, which may be acceptable, but the apparent patina of having been slept in, which may not. His elastic gusseted shoes left something to be desired and the marriage of his shirt and tie would have provided an opportunity for the "just cause and impediment" clause to be invoked at banns stage.

Now, in principle, I do not feel that those who speak or write about fashion need to be themselves well dressed, just as, in principle, I do not feel that because I think a possible development in the control of population will be the switch in the fundamental choice from deciding not to have a child to deciding to have a child means that I am going around doctoring the tapwater with some universal contraceptive. But here comes one of those gaps I was mentioning.

If you opt for sartorial criticism in a public show, well lighted platform, then you seem to me you lack credibility if you are not just sans peur in your remarks, but sans reproche in your outfit. However, my attitude to Mr Moss is coloured by the fact that the absolute delightfulness of all the Mosses I have met can be matched only by the absolute horror of trying to hiro from their emporium a black waistcoat for a state funeral in the week before Royal Ascot. I have therefore decided to be generous and to assume that Mr Moss was merely quite legitimately publicizing his modest investment in Moss Bros service. This is known to the store as the Special Offers Department, but to a handsome and provident colleague who patronizes it refers to it as the Dead Mo's Department for he is convinced that it is filled with the shuffled off mortal coils of those who have gone to where the knife-edge crosses are always perfect.

No possible criticism could be levelled at the ensemble of another introductory speaker I heard last week. Petit Mr John Packer, head of the cloth firm Reid and Taylor, was refreshingly and quite rightly immodest about the superlative materials he produces and was so divinely well dressed that I cannot remember what about what he wore but that it was dark blue, faintly striped, and single-breasted. The show Mr Packer presented was the antithesis of the MAB affair, which though it includes magnificent firms such as Chester Barrie and Alan Paine, is intrinsically a show of ready-made and widely available merchandise. Mr Packer had invited Yuki, the British-nationalized Japanese boy who is already famous as a womenswear designer, Tom Gilbey, Tommy Nutter, and the invincible Huotisman of Savile Row to show what they could do with the world's most precious and prestigious fabrics, Reid and Taylor's Crown Collection.

Perhaps it is the advance of age, perhaps it is the insecurity of this moment, but I liked the Huntsman things marginally best. The same throw-away chic which allows the firm to supplement its expensive name in the phone book merely with "This name breeches maker lets it handle cloth costing £300 a length with consummate ease. No tricks, no surprises, just sheer cut and quality. By the way, I wish Huntsman would include in the pocket of its formal white-tie-and-tails set the name of a laundry that can handle that bard-wear.

If my personal preference was for Huntsman, there is no doubt that the man whose influence he permeated the ready-to-wear is Tom Gilbey. As the manufacturer's stands in Harrogate it was his jacket and his light colouring which took my eye. The other dominant line was the "tulip" curved wide lapel, which I attribute to Christian Dior when it first began, menswear in this country (we showed the designer, John Langberg, to it). "That's dead" my ris o vis assured me as I loomed, himself in light brown chalk striped-Dior of more modern cut.

He came from Caernarvon, was called Mr Jones of Jones and Evans, was initially suspicious, and ultimately frank, asked me to tea when I am next in North Wales, and told me everything. I wanted to know about provincial tastes (I'm out of date) and buying right for your market.

While the grandees at the Packer show advocated turn-ups, more double-breasted suits and not too wide waistcoats, quite a wide trouser line at Harrogate most of the trousers were without turnups and only lightly flared. They were, many of them to my mind, very badly cut but clever Anthony Hendley, ex-RCA and now consultant to a Carrington-Vivalls firm, says it is because they are made in synthetic fabrics (Trevira creeds were plentiful) and that poses problems. It has been the cost of wool which has given synthetic a boost, but those of them which are based on petro-chemicals are themselves subject to price hikes. Pringle seemed to have got their trousers cut right, I noticed.

Going around the stands I liked Odeon's velvet evening suit, found the most interesting of shapies in Christian Dior's double-breasted blue wool shantung suit (about and with no back vents), and felt like congratulating houses which are as ready on the wide, sharp lapel shown by the Packer elite.

The most dominant fabric at MAB was the checked, pale-coloured lightweight Trevira-wool mixture for jackets; the most interesting a flannel with a male look used in brown by DAKS-Simpson and Chester Barrie and in green by Westwood of Dublin. I liked the small shirt prints at Club Spencer—those window pane checks are over exploited—covered a denim smock top by Lee Jeans, which will be in the shops in the spring, derived pleasure and satisfaction from the superb quality of Chester Barrie suits and Alan Paine knits, and thought the leisure look of CCS Ltd was great.

Where does men's fashion stem from? It used to be the private customer who got his tailor to work something out. To an extent it is now the publicized designers. Another of my luoch companions at Harrogate told me he was advised by his daughter ("Why not your wife?") I asked, knowing the answer, which he did not supply. I think the private male is still paramount in the menswear field, so I will finish by telling you that at a super-chic fashion dinner last week Mr Norman Parkinson, of photographic fame, and of superlative elegance wore a black velvet blazer, shopworn-wrinkled trousers, a white fine embroidered tweed shirt and a tie. O tempora, O mores: O the manufacturers!

مکان الفضل

Exquisitely understood by janet reger The Essence of Femininity The Autumn Collection is now available from our new catalogue 30p or from our boutique. Bottom Drawer, 33 Southwick St. London W2

SPORT

Classic winner for auction at Newmarket December sale

Michael Phillips Racing Correspondent
The colossal wealth of French racing has been best illustrated that it was at Longchamps on Sunday...

Wolverhampton results

1.55 (1.55) BUSHBURY MAIDEN PLATE (Division I: 2-3-0: 25-25)
1.55 (1.55) SEDGLEY ALL-AGED STAKES (25-25)
1.55 (1.55) BARNBOULE NURSERY HANDICAP (25-25)

Edinburgh results

1.55 (1.55) PINKIE SELLING HANDICAP (25-25)
1.55 (1.55) BARNBOULE NURSERY HANDICAP (25-25)
1.55 (1.55) LOTHIAN HANDICAP (25-25)

Miss Mercer still hopes

Caroline Mercer, 16-year-old daughter of the late Manny Mercer and widow of the Newmarket Town Plate for two years...

Hereford programme

- NOVICES HURDLE (Division I: £170: 2m)
0423-0 Ballyvaughan, J. Edwards, 7-11-5
0423-1 Plying Malt, P. Dale, 5-11-5
0423-2 Haddi Bay, R. Gray, 5-11-5
0423-3 Ireland's Dawn, J. Edwards, 5-11-5
0423-4 L'Apache, A. Winstanley, 5-11-5
0423-5 Masser Sp, J. Forster, 5-11-5
0423-6 Doss Rock, A. Winstanley, 5-11-5
0423-7 Princes Pal, J. Edwards, 5-11-5
0423-8 Royal Wain, C. Small, 5-11-5
0423-9 L'Apache, 7-2 Royal Splash, 3-1 Master Spy, 5-1 Pat's Daughter, Ireland's Dawn, 10-1 Ocean Bock, 12-1 Just Lit, 1-1 Noonan, 20-1 others.

Wolverhampton results (continued)

- 1.55 (1.55) DUBLINUR SELLING HANDICAP (25-25)
1.55 (1.55) WEST MIDLAND HANDICAP (25-25)
1.55 (1.55) DUBOY MAIDEN PLATE (25-25)
1.55 (1.55) BARNBOULE NURSERY HANDICAP (25-25)
1.55 (1.55) LOTHIAN HANDICAP (25-25)



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ENTERTAINMENTS

ALSO ON PAGE 12

THEATRES

OLD VIC THE NATIONAL THEATRE (228 Trafalgar Square)
EQUUS Tomorrow 7.30, 8.15 & 7.30
Fri. & Mon. 7.30, Sat. 8.15 & 7.30

CINEMAS

PARAMOUNT Lower Regent St. 9.30
PARADISE Pall Mall 8.15, 8.45, 9.15
PALLADIUM 437 Regent St. 7.30

THE ARTS

Brian symphony at Alexandra Palace

BBC Radio 3 is promoting the first public performance of Havergal Brian's immense Symphony No. 4, with the London Philharmonic Orchestra, BBC Slogers and Choral Society, Goldenmich's Choral Union, Felicity Palmer (soprano), conductor John Poole. It will be recorded in Alexandra Palace on Sunday, October 13, at 6.30 pm.

CINEMAS

PARAMOUNT Lower Regent St. 9.30
PARADISE Pall Mall 8.15, 8.45, 9.15
PALLADIUM 437 Regent St. 7.30



On the way to Southwold



Peter Hall on location

John Higgins

A life style in Akenfield

On Sunday the ABC 2 in Ipswich took time off from Jack Nicholson and The Last Detail for the first cinema screening of Peter Hall's Akenfield. The villages which Ronald Blythe amalgamated for the Akenfield of his book are about 10 miles down the road north out of town and it was from this area of East Suffolk that Hall chose the cast of his film, non-professional actors all.

On the way to the tiny area which goes to make up Akenfield. Of course there were temptations to wander outside—on the occasion of the annual excursion to Southwold on the coast, for example—but we resisted them because we wanted to stress the claustrophobia of the life. Do you break out, or do you stay put? From the start too we were insistent that everyone appearing in the film was a non-professional. Whichever possible we asked them to do the jobs on film they normally did in life.

THE MALE OF THE SPECIES
PLACE, Dunes Rd, Epsom, Surrey
THE GREAT GATSBY
THE GINGERBREAD LADY

RESTAURANTS
APERODITE'S
RICKI DISONI
LA BRASSERIE

Prague Chamber Orchestra

Paul Griffiths
This Prague group is everything a chamber orchestra should be: an ensemble which plays in a chamber-musical way, without a conductor and without the need for a conductor being evident. The repertoire is wide and varied, and here received a rare degree of democratic flexibility and sympathetic interplay.

Segovia Festival Hall

Keith Horner
Aged 80, Segovia still maintains a rigorous concert schedule with the tenacity of a compulsive matador. Which other soloist can be recalled for two encores after sporting one of several programmes consisting almost entirely of works dedicated to, commissioned or arranged by himself?

LPO/Weller Festival Hall

Joan Chissell
Never can there have been a worse year for pianistic indisposition. On Sunday it was the Cuban, Horacio Guiterrez, who had influenza, and the Spaniard Joaquin Achucarro who stepped in at very short notice. As the scheduled concerto was Rachmaninov's third, one of the longest and most densely noted in the repertory, this was no mean feat.

THE BRIDE
THE GINGERBREAD LADY
THE MALE OF THE SPECIES

EXHIBITIONS
CHURCHILL CENTENARY EXHIBITION
HECTOR GUIMARD

'Enchanted Castle'

The National Gallery has just received on long loan a group of pictures from the Loyd Collection. There are five in all—two pairs of standing saints by Cranach, the back of the wings of his altarpiece of St Catherine, now at Dresden (dated 1506); two panels from a cassone telling the story of David by the rare fifteenth-century Florentine artist, Pesellino; and Clendé's Enchanted Castle. The actual subject of this famous picture is the unusual one of Psyche seated alone outside the palace of Cupid. It was painted together with a companion, the Landscape with Psyche saved from drowning herself, now in Cologne—in 1664 for

BBC Round House concerts

The BBC's new Round House concerts begin at 8.30 pm on Monday, November 25, and will be broadcast live on Radio 3. Pierre Boulez, David Atherton, and Edgar Howarth will be the conductors of these five BBC Symphony Orchestra winter concerts.

CINEMAS
ARC 1 & 2, Shaftsbury Ave, 8.30
ARC 3, Shaftsbury Ave, 8.30

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HARLEBOURNE

Advertisement for Sotheby's featuring a large image of a ceramic vase and the text 'Last week at Sotheby's'. The text describes the quality of their ceramics and provides information about their sales and contact details.

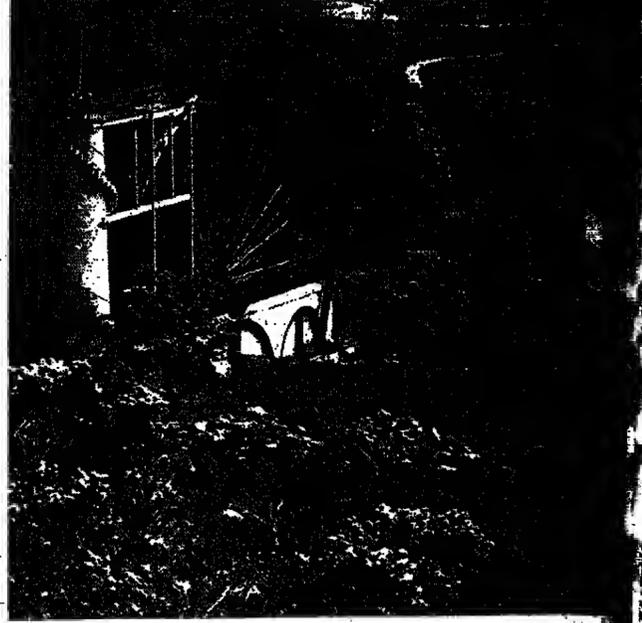
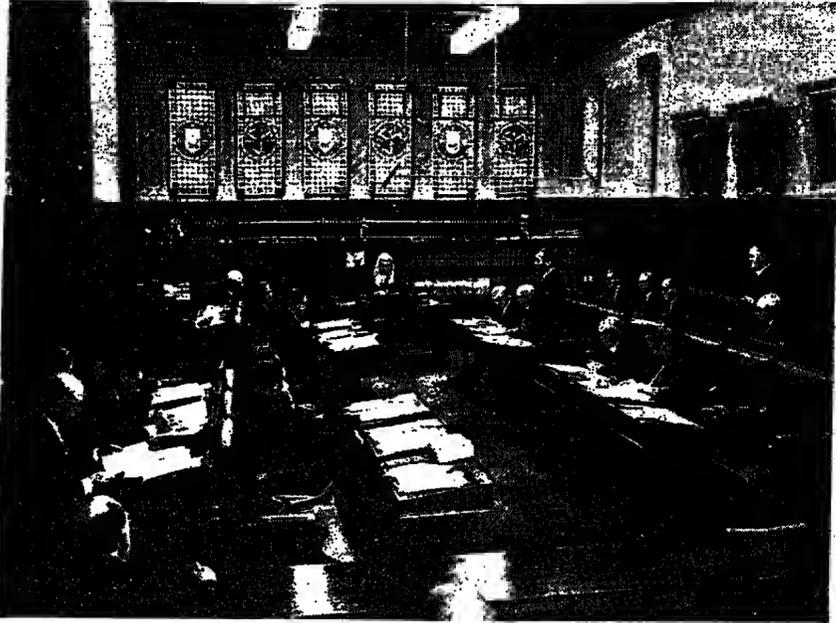
ARC 1 & 2, Shaftsbury Ave, 8.30
ARC 3, Shaftsbury Ave, 8.30
ARC 4, Shaftsbury Ave, 8.30

MARKETBOURNE GRAPHICS LTD
EMBOSSING RELIEF ON PAPER
HARLEBOURNE

Each programme will contain a twentieth-century classic; among them Schoenberg's Ode to Napoleon and Berg's Lyric Suite to be introduced by Hugh Wood and Thea Musgrave respectively. Richard Rodney Bennett will introduce Messiaen's Seven Hazkai and Boulez's Le mortuus est Jeanne d'Arc.

# Isle of Man

a Special Report



An island of historic traditions, expanding industry and attractive scenery. Left: the House of Keys in session, part of one of the oldest continuous parliaments in the world. Centre: Manx kippers ready to be boxed. Right: the great water wheel of Laxey.

## A financial centre, tax haven and holiday attraction determined to resist outside interference

by John Chartres

This tiny island of about 200 sq miles which appears to have been dropped neatly into the middle of the Irish Sea is approaching yet another turning point in its always eventful history.

The Isle of Man, which enjoys as much independence as any other geographical territory in the British Isles (apart from the Irish Republic), is at the peak of one of the highest boom periods it has ever known. The situation, however, is not without its worries and the turning point now facing its administration is whether to allow the present expansion to go on unchecked in somewhat dangerous economic times or whether to change direction a little and seek a more secure long-term base.

The constitutional position of the island, which is the mainspring of the boom, is often misunderstood, and a certain amount of delving into history is necessary to grasp it.

The island is not, in fact, a part of the United King-

dom. It maintains a form of self-government which goes back to the Viking invasions of the ninth century which led to a political grouping of 32 islands stretching as far north as the Hebrides, with a common parliament of one member an island.

In 1405, after various disputes between the English and the Scots, the island and its regalities were granted by Henry IV to Sir John Stanley, founder of the House of Derby. For the next 350 years the Derbys and their successors, the Atholls, were in effective control first as kings and later as lords of Man. Throughout this period, however, the suzerainty remained with the English Crown.

An Act of 1765 provided for the reacquisition of the regalities by the Crown. The Queen is, therefore, the pre-eminent Lord of Man and she is represented by a Lieutenant-Governor. Although the island is part of the Queen's domain, the Manx do not return members of Parliament to Westminster but administer their own affairs through the Tynwald Parliament, one of the oldest democratic institutions in the world. In effect most of the direct island legi-

slation is limited to internal affairs, such matters as defence being handled by agreement with the United Kingdom Government.

The island parliament, consisting of a lower house (the Keys) of 24 members and a Legislative Council of 11, meets every year on Tynwald Hill, the site of the original assemblies, and monthly in a miniature version of the House of Commons in Douglas. No system of party politics has yet emerged on the island and elections take place every five years; with few exceptions both members of the House of Keys and of the Legislative Council have always styled themselves independents.

Long-standing, but by no means irrevocably fixed, joint arrangements exist between Man and the United Kingdom for the administration of certain public services and of defence. The basic fiscal arrangement is called the Commoo Purse, under which the United Kingdom Government collects customs and excise duties and pays back a share to the island, based on population with a weighting for tourists. The island then returns a proportion (now about £300,000 a year) to pay for such services as defence and telecommunications.

The island levies its own income tax and it is the standard rate of 21½ per cent, and the absence of death duties that have created the present tax haven advantage and are responsible for most of the boom situation in a period where such benefits are of world-wide importance.

In the mid-1960s an eventful but good-humoured movement towards a form of Manx unilateral declaration of independence emerged and was brought to a head by disputes between the island administration and the Postmaster General of the United Kingdom over broadcasting rights, with the pirate ship Radio Caroline North, which was moored in Ramsey Bay, adding considerable spice to the affair.

It was resolved amicably and the outcome was the establishment of a standing committee of matters of common interest and a number of moves towards even more independence, including the takeover of postal services and the issue of Manx stamps. Manx stamps, and the island currency, which includes a much-envied 50p note, have become attractive items to collectors throughout the world.

A little more than a year ago the island struck a

remarkably favourable deal with its entry into the European Community as an associate member under which it retains its own fiscal arrangements yet has full trading rights throughout the Community.

In the 1950s and early 1960s the island was badly depressed, with a lack of industry and its tourist trade falling off as travel to warmer climates became a practical possibility for millions of holidaymakers. Hundreds of young Manxmen had to seek menial jobs on the mainland, beer picking in Lincolnshire becoming one of their main occupations. The phrase "the beet fields" is just as evocative here when the economy is being discussed as is the "emigrant boat" in Ireland.

The growing search for tax havens by the world's financiers and speculators—both large and small—and the closure of many existing havens have altered the position dramatically. The net population has been increasing at the rate of at least 1,000 a year, new factories, office blocks and homes have sprung up all over the island (in some cases at an unhealthy mushroom-growth rate) and unemployment is virtually non-existent.

It is only fair to say that some of the improvement has been outside the tax advantage sector, particularly in the tourist industry, and is largely due to energetic efforts to draw attention to the island's undoubted basic attractions of scenery, a surprisingly mild climate and an unhurried pace of life. Last year, however, there were some disturbing signs that not all was as well as it appeared on the surface.

The small and hitherto almost unconsidered Manx Nationalist Party (Mec Vannin), which had previously been concerned mainly with the preservation of folklore and the Celtic language, petitioned the Queen to convene a tribunal of inquiry into alleged corruption, using such phrases as "a malady hetsis this land" and "the stink of greed, corruption and misgovernment".

In the weeks leading up to the preparation of this petition (which did not succeed) there had been a number of outbreaks of minor arson, slogan-daubing, and sending of threatening letters. A clandestine organization calling itself Fo Halloo ("under the ground") began issuing duplicated news letters attacking public figures and

in particular the newly arriving property owners. The incidents of violence were only minor and nothing has ever been discovered to link the arson cases with any known political group, but in a community equivalent in size of population to an English market town they could not be dismissed entirely.

The burden of complaint of the responsible wing of the nationalist movement—which for the first time in history won some seats at recent local council elections—is the familiar one that the normal work permit regulations can be, and frequently are, evaded. Such a proposal has been turned down once by the Tynwald.

A measure requiring new residents to purchase government bonds, which would be used to finance local authority housing, before buying property is also going through parliamentary procedure, and a great deal of discussion is taking place in the background. Between island officials and their opposite numbers in the Channel Islands, who face similar problems, the Islanders often show a certain amount of resentment at some of the publicity they receive over such problems and over such local legal peculiarities as birching and

the death sentence. Internal controversy about birching appears to have quietened considerably (although sentences are still occasionally carried out) and the short answer that critics usually receive is that the island has a remarkably low level of hoodliganism and vandalism in spite of the annual influx of thousands of young people from towns and cities where such problems are commonplace.

The retention of the death sentence is, in fact, purely academic, since there is no executioner on the island, nor a long-stay prison, and such a sentence must in practice automatically be commuted by the Home Secretary.

The question is often raised whether there is still a place for such a small, virtually self-governing community in the modern world. The average Manxman will staunchly reply that there is, and point to the fact that Manx has survived reasonably happily in this way for more than 1,000 years. This is not to say that all Manxmen regard the present situation as perfect, but there is a marked desire to see that anything that is wrong is put right with the minimum of outside interference.

## Tough new laws protect banking reputation

by David North

The fiscal attractions of living and investing in the Isle of Man have existed for many years but have never been exploited to the same extent as in other low-tax areas. The island has all the fiscal advantages of Jersey and Guernsey but few of their problems.

Bankers and financiers who have established themselves there during recent years are confident that it will become a major financial centre within the European Economic Community. Provided the Manx Government continues its present policy and political stability is maintained, the island's new finance industry should prosper.

The Government's policy of attracting new residents has been the origin of the new finance industry. However, the need for new residents is fast disappearing, and the time is approaching when legislation, which may well have the effect of cutting down the influx of new residents, will be introduced in Tynwald, the Manx Parliament.

Tax receipts have risen from £750,000 in 1961, when surtax was abolished and income tax reduced, to about £7m in the current year.

For people living in the United Kingdom who have a tax problem but can continue to operate from an offshore island the Isle of Man is worth investigating. Alternatively, for those who live on unearned income and can move away from city life to a country of which it is estimated that less than 5 per cent is developed but where the temperature is regarded as healthy rather than hot, then the Isle of Man has a lot to recommend it.

Until recently most new residents were middle-class people escaping from the tax burden of the United Kingdom. The attraction is a standard flat tax rate of 21½ per cent. There is a relief of one quarter of the earned income up to a maximum allowance of £900, but those with an unearned income pay only the flat rate. There is no capital gains tax or estate duty.

Before 1961 under United Kingdom law real estate outside the United Kingdom was free of estate duty, but the Finance Act 1961 abolished this concession and the "big boys" moved out.

The effects of establishing residence on the island to avoid estate duty are considerable. Provided you move to the island, obtain a residence, form a locally registered company, and put all your assets into it, estate duty will not have to be paid to the United Kingdom Government on your death. And, while you live, you may spend up to 90 days in the United Kingdom without incurring any charge by the Inland Revenue.

Apart from benefits to individuals who become resident in the Isle of Man there are also special cases where Manx law can be extremely useful to non-residents, particularly those who can lawfully deposit money in an Isle of Man bank. Two of the special cases now using the Isle of Man are United Nations and World Bank officials. The attraction is that, by agreement with the Manx Treasury, approved banks pay interest on deposits of non-residents without deducting income tax.

Local bankers and merchant bankers appear to welcome the new legislation. Mr Charles Cain, managing director of Slater Walker (IOM), said: "We are delighted to see that tough new banking legislation is being introduced".

There are 19 approved banks on the island, six of which have been formed since May last year. Another feature of the past year was the formation of a record number of Manx companies. Resident Manx companies pay taxation at the flat rate of 21½ per cent, on undistributed profits only, and there is no deduction of tax at source on dividends, unless paid to a non-resident. Private companies are not required to file accounts.

If a Manx company is not controlled from the Isle of Man, and does not trade there, it is not liable to Manx income tax, and under new legislation will pay an annual flat rate tax of £200.

But as Mr William Dawson, the Government Treasurer, points out "the continuation of the policy of low taxation depends on the ability with which the island manages its own affairs".

To this end a new and strict Banking Act has been introduced. It is considered by experts to be one of the toughest of its kind in the world, and includes provisions to control and assess the qualifications of anyone who advertises or acts as a financial adviser. There is a new Companies Act and this is to be followed by further legislation relating to companies. A Property Speculation Tax Bill is also planned.

**Safeguards against fringe operators.**

The Finance Bill, headed by Mr J. E. Bolton, is uncompromising in its desire to protect the island from fringe operators. "We intend to make sure", Mr Bolton says, "that our banking is on a very sound basis. The object of the new banking legislation is to protect deposits, the bona fide banks, and the reputation of the island so that our financial sector will be widely recognized as one with the highest standards of integrity and expertise."

The use of Manx overseas companies can be of use to individuals not resident in the island. But cases vary and professional advice is necessary.

Basically there is little difference between the fiscal attractions of the Channel Islands and the Isle of Man. But one handicap for the Isle of Man is the Usury Act, which effectively limits interest rates on the island to a level below free market rates. The maximum permissible rate under the Act has been raised recently from 10 to 12½ per cent. The repeal of this archaic legislation is considered long overdue by many people, and the fact that some speculators have discovered that it is a useful method of tax evasion may help.

### ISLE OF MAN GOVERNMENT

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### ISLE OF MAN POSTAGE STAMPS

As from 5th July, 1973, the Isle of Man became postally independent and the Isle of Man Post Office Authority took over responsibilities for operating postal services in the island. The new Post Office Authority has issued its own postage stamps, etc., which are accepted internationally by members of the Universal Postal Union.

In addition to the normal 16 definitive stamps issued on 5th July, 1973, there are also current commemorative stamps available and the stamp programme for 1974 is as follows:—

4th March, 1974—150th Anniversary of Royal National Lifeboat Institution (4 stamps—3p, 3½p, 8p and 10p). Sir William Hillary the founder of the R.N.L.I. lived in the Isle of Man and served in the crew of the Douglas Lifeboat—he will play a prominent part in our designs.

29th May, 1974—T.T. Motor Cycle Race Issue (4 stamps—3p, 3½p, 8p and 10p). The Isle of Man is world famous for its T.T. races and we will be depicting some of the riders and bikes which have helped achieve this fame.

18th September, 1974—Historical Issue (4 stamps—3p, 3½p, 8p and 10p). These stamps will commemorate 2 famous men (2 values each). King Magnus Haroldson, who was King of Mann 974 A.D., and Bishop Russell, who was Bishop of Sodor and Mann in 1374 A.D.

November, 1974—Churchill Centenary (4 stamps—3p, 3½p, 8p and 20p).

All designs are pictorial, covering local views, historical places, animal and bird species indigenous to the island. For further information apply in writing to the Philatelic Bureau, P.O. Box 10.M, Douglas, Isle of Man.

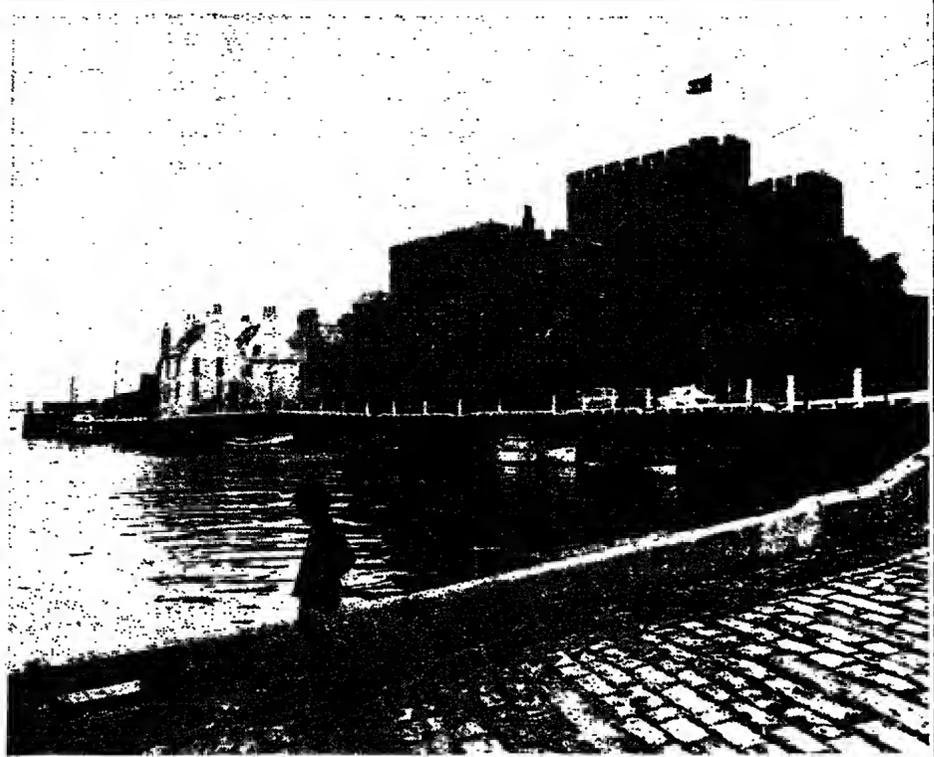
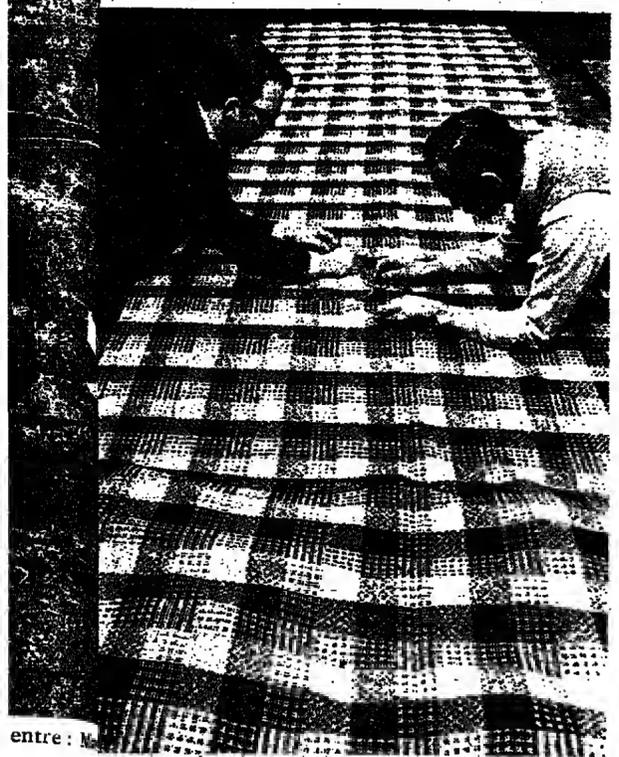
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هكمان الأصيل



Final inspection of Manx tweed before dispatch. Right: Castle Rushen, which was the ancient fortress of the kings of Man and the seat of government.

### Tourism recovering after setback

It says much for the resilience of the Manx people that following the aftermath of one of the worst disasters that could befall a holiday resort, and a hat-trick of apparently not been at the annual meeting in its tourist index of young grey are as high as ever, and in 1973 nearly 589,000 tourists travelled to the island over January and September when there were more than 634,000 visitors. It was a record achieved in the face of the unforeseen economic disasters in Britain in the winter of 1973-74 that dented this season following the trend.

The publication this month of the arrival figures will, however, tell the true story of the island's recovery. There are high hopes of a return to the level of the summer of 1973, and the Manx Government is confident that the island's image, which was also a serious competitive setback since many of the island's assets had been planned on an all-weather action for visitors in a data which, while remarkably equitable for its location, is naturally more fickle than the competing Mediterranean package tour areas. The value of Summerland has been proved amply this summer through the way in which it has been missed. Denial to replace it is stronger than ever. The report of the committee of inquiry into the fire at Summerland just before the start of the 1974 season, not the best time for the

### World's finest animal health record claimed as main cattle diseases are eradicated

The Isle of Man claims to have the world's finest animal health record, and few would dispute the claim. Major cattle diseases are either unknown or have been eradicated.

The greatest scourge, foot and mouth, has never been recorded in the island. Bovine TB has long since been eradicated and brucellosis is now almost unknown. The warble fly has also been cleared from Manx herds.

Other farmstock is equally disease-free. Fowl pest has never been recorded and so far there have been no outbreaks of the swine vesicular disease that has ravaged pig herds in England.

Officials of the animal health department of the Isle of Man Board of Agriculture and Fisheries aim to preserve the island's record. Whenever it is felt that a major outbreak of disease in Britain could possibly infiltrate, stringent restrictions on the movement of livestock into the island are enforced.

Manx farmers have perhaps been slow to cash in on the very real asset which their animal health record represents. But, just as wealthy Britons have recognized the tax advantages of settling in the Isle of Man, and financial houses are beginning to regard Man as an attractive base for their operations, so have some of Britain's livestock breeders moved into Manx farmsteads and set up breeding operations for reexport of livestock.

So far they have concentrated on cattle. Several of the "exotic" breeds of continental beef cattle are now established. French Charolais predominate, with a sprinkling of Simmentals and, more recently, giant Italian Chianinas. Pedigree herds of British beef breeds are also being set up—mostly by Manx farmers. They include South and North Devons, Sussex, Welsh Blacks and, of course, Herefords.

The Isle of Man Charolais Society is a thriving and enterprising organization. Its members have exported stock as far as Texas and New Zealand.

But what of the ordinary Manx farmer? How well is he doing? There are 900 farms in the Isle of Man with an area of 120,400 acres being farmed. Arable acreage was 76,800 last year, while 43,500 acres were classified as rough grazing.

An economic survey carried out for the Manx Government said too many holdings were small and uneconomical. It suggested amalgamation of smaller units. That was three years ago, and while some amalgamations have taken place, the story is still basically the same.

Farmers in any small island community have more than their share of difficulties. The Isle of Man is no exception. The biggest is

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### Change from depression to economic miracle

It took the Isle of Man from the 1970s to perform its economic miracle. In that time it moved from a situation of depression, unemployment and dwindling population to buoyancy, booming development and minimal unemployment. There is such a rush of people to live here that a donation to slow it down would be a miracle that has still to run its full course. There remains rich promise in the immediate future for the island. In spite of all the external economic gloom the internal Manx position is excellent. The Isle of Man Government's revenue prospects look so good that Mr John Bolton, the usually cautious chairman of the Finance Board of Tynwald (the Manx Parliament) pressed the hope earlier this year that they would soon be looking forward to the day when the Manx Government would be able to finance its capital works schemes out of revenue instead of, as at present, battling for borrowed money at tolerable rates of interest.

The 1950s were hard times for the island and they are remembered painfully by today's Manx leaders and administrators. The post-war boom in British domestic tourism had petered out. Government reserves built up by a highly profitable war were being used up. In winter the number of unemployed rose to 1,200, representing about 1,200,000 in United Kingdom terms under the classic 1,000-to-one ratio applied between the Isle of Man and the United Kingdom. It was so bad that the Government had to invent winter works schemes to soak up labour.

And, in the end, Manxmen had to start leaving the island in large numbers to work in the best fields of Lincolnshire. This episode is now remembered with real distress and shame in the Isle of Man.

The situation was finally expressed in real terms through census. In 1951 the Manx population was 55,253, a good average in historical terms. In 1961 it had fallen to 48,133. It was a great surprise and the turning point. Recovery started when Tynwald, which has long had a dedicated commitment to liberalizing its constitutional relationship with the United Kingdom, secured control over its fiscal affairs from Whitehall, and the policy of low and stable taxation was formulated. This led to the arrival of new residents, a population in the 1971 census of 55,248, an estimated population of more than 60,000, and a forecast population for 1991 of 84,000.

The taxation policies have been the basis of the present buoyancy of the Manx economy, with its excellent long-term prospects. The economy has also become much more broadly based. Where once tourism was by far the largest sector, it is now being challenged by manufacturing, construction and new residents.

The latter have brought about a tremendous boom in the Manx building industry. New houses, both publicly and privately built, are appearing at a rate of up to 600 a year. In the bad old days it is said that in one year only one house was built. The value of existing houses has soared. A three-bedroom detached house built in 1951 in a good part of Douglas, which was bought for £3,850 in 1962, could now fetch £14,000 or more.

Land prices have also soared, particularly with the intervention of speculators. Last year eight acres of land on the outskirts of Peel, the fishing port on the west coast which is the centre of the Manx kipper industry, changed hands three times and went up in price from £21,000 to more than £80,000.

In addition service industries and commerce have benefited from the new residents. They have brought with them a wide range of advanced, and their spending power has also raised standards.

Restrictive economic conditions in Britain have severely reduced the flow of new residents in the past few months and a quiet has descended on the lower and middle ranges of the property market. Manx MPs are now giving tentative second thoughts to their original ideas for restricting immigration. But the richer new residents, who are able to transcend economic difficulties, are still arriving and buying big houses. In the past few weeks they have been changing hands for up to £80,000 or £90,000.

Alongside all this, industry in the island has developed significantly during the 1960s and early 1970s. A deliberate effort to attract new industry was started by the Government side by side with the new taxation policy. It was recognized that the Manx economy needed broadening and that there should be some diversification away from tourism. This was reinforced in 1966 when the national seaman's strike cut off the flow of holidaymakers to the island by sea, which is still the way most people get there.

In the early 1960s the Manx Government had an industrial officer charged with selling the island to industrialists. Now the post is vacant. There is no longer need for his efforts because there is a quiver of firms waiting to move in. All that is keeping them out is the drastic shortage of labour in the island. Firms cannot import their own because for all the efforts of the building industry, there is a shortage of housing. But this problem has long been recognized by Government and this year the Manx Treasury will be

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# CAN SOCIAL DEMOCRACY SURVIVE?

This election is concerned with the survival of the present social and political system of Britain, but that system is not quite as ancient as one thinks. The system which is under test to destruction is the one established immediately after the war by the Labour Government which was returned to power with such a large majority in 1945. It is designed as a mixture of the features of a socialist and a democratic society. In industry there is a large public sector. The social services are predominantly run by the state and are run on the principles of equality. The social institutions include very strong trade unions with comparable power to the monopolies of the Vanderbilt-Rockefeller era in the United States.

Very heavy personal taxation is supposed to impose equality and has advanced far in that direction in terms of income, though somewhat less far in terms of capital. The social and economic environment was mild and is now extremely unfavourable to capitalists and to those who create businesses. At the same time the main disciplines of socialism have only been developed in a rudimentary way. The individual is free; he can change his job; he can say what he likes. With few limits he can use such money as he is left with as he likes. He has a vote, and governments come into and go out of power as the result of democratic decision.

## Compromise

This socialist democratic society is based on Keynesian economic theory and in particular on the 1944 White Paper on full employment. That lays down that the first aim of economic policy is to maintain full employment. In so far as this objective conflicts with the maintenance of a stable balance of payments, with stable economic growth or with stable prices that full employment commitment has priority, though for obvious reasons the priority has not in practice been absolute.

There have always been people both on the right and on the left who thought that the deliberate refusal to make a choice between the values of freedom and the values of equality—between a market and a socialist economy—would in the end prove unstable. They thought to put it bluntly, that a socialist democracy could not be made to work. For nearly thirty years they have apparently been proved wrong. The full employment doctrine has throughout resulted in some inflation, but until very recently not in runaway inflation. The nationalized industries have absorbed very large funds in public money and the return on capital employed has been poor, but that has not prevented a slow but continued expansion of industrial production. The range in the standard of living between the better off and the worse off has been greatly narrowed but not to the point at which life in Britain became unacceptable to the most talented, or at least not until recently.

There is no doubt that the British liked this compromise society quite well. After it had originally been created, the public felt that the Labour Party

had been too austere in the first building of it and turned to the Conservative Party to conserve what the Labour Party had built. That was the work of Lord Butler and Mr Macmillan. It lasted for thirteen years of Conservative government, and it was unquestionably what the country wanted at the time.

This social compromise is now confronting its first great crisis. If it cannot overcome the problem of world inflation then it will undoubtedly be replaced by a social order which can. One can see the weaknesses of the system which the Labour Party built. In the first place the trade unions are much too strong. The trade unions after all have no productive capacity. They are there to negotiate the wages and conditions of production; but they are not there to create wealth. The disproportionate strength of the trade unions makes British industry like a ship with an anchor designed for the Queen Mary.

There are also inherent economic weaknesses in this structure of society. The very high level of taxation reduces saving, but also reduces both the incentive to work and the capacity and the incentive to invest. Such a society is a capitalist one without the rewards or disciplines of capitalism and a socialist one without the disciplines of socialism. Even the very injustices of capitalism provide a dynamic of their own, in that people have both the desire and the opportunity to become rich and have an incentive to work from the fear of poverty. Similarly a socialist society imposes its own disciplines at the cost of freedom, disciplines which include total state control of all businesses and all trade unions, and gross limitations on the freedom of the individual. Only our society has simultaneously rejected both the disciplines and the incentives of both socialism and capitalism.

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## Three choices

So long as they can, the British people will want to maintain the values of equality and the values of freedom simultaneously. Despite Sir Keith Joseph and Mr Benn, they are still being offered in this election three different ways of preserving the present system. No party leader believes that the electorate would vote for a decisive move to the left or to the right, for a move towards equality or towards freedom. Their unanimous judgment is almost certainly correct.

Unfortunately the probability is that we shall not be able to maintain our present system in its present form, because it does not appear to have any good answer to inflation. This does not mean that we shall have to move to the communism of Stalin or to the capitalism of the last century. It does however probably mean that the crisis of socialist democracy will lead to a society that is either considerably more socialist or considerably more free than the society we have at present. We shall either have to move in the direction of Mr Benn or in the direction of Sir Keith Joseph; putting it in international terms, we shall have to follow the re-

sponse to the postwar crisis of Yugoslavia or of West Germany, of Tito or Erhard.

In his fascinating Wincott Memorial Lecture, Lord Robbins warns about the catastrophe that is coming upon us, and argues that we should move towards freedom in order to avoid or overcome the catastrophe. His argument is not for rejecting our present society, which has real virtues, but for changing it by allowing more weight to market forces and to gradual control of the money supply. It is a policy something like Professor Erhard's social market economy. But unfortunately this is only likely to happen when the mass of the British people have become convinced that the capitalism that was left by the Attlee government, castrated capitalism, is not an effective way of running a society.

## Unstable forces

One paradox of this election is that it is becoming clear that the next big choice will be between one of two more definite systems, but it is equally clear that that choice has not come yet. Mr Wilson, Mr Heath, and Mr Thorpe are all committed to the consensus of the postwar period; and it is a further paradox that it is the government which is elected which will bear the burden of failure. Victory on Thursday presents the most imminent prospect of failure thereafter, because the contradictions of the Attlee society have reached breaking point. The quadrilateral of full employment, free collective bargaining, free elections and reasonably stable prices, has become a figure of unstable forces.

This could lead to the absurd conclusion that everyone should vote for the party he wishes to see destroyed. This is not a conclusion that can be accepted. It seems to us that this is an election in which people should decide what their principles are. Nobody can tell what the outcome of the election will be, and nobody can tell what results will be achieved by the government that the election produces.

Does one believe that freedom is the highest of all political values, higher than equality, higher than any other political objective except the security of the state itself? The Conservative Party is now the custodian of that view. Does one believe that the need for Britain is to destroy the two-party system, and perhaps with it the class confrontation which is involved in our politics? That seems now to be the central claim which the Liberal Party makes. Does one believe that the fair society, the principle of equality, is the most important thing and that freedom must be kept in balance with the requirements of a society? That is Labour's essential theme. One should surely make one's choice in terms of these fundamental issues of principle in electing a government which will be facing the worst economic crisis in more than forty years. It is not now only what governments hope to achieve, but how their principles will lead them to react to challenge in the future which has to be considered. When circumstances are as uncertain, only principle can decide.

It does not, however, follow from this that the social contract has been breached, even to the extent to which it is proper to apply such language to so imprecise a document. For the initiative for a complete renegotiation of all Ford wage structures did not come from the union concerned. It was an initiative of the management, as the best solution to a number of other detailed industrial relations disputes, many unofficial, which it was facing. The TUC's joint undertakings with the Labour Party can scarcely be held to bind, even morally, the Ford management.

This only serves to underline the fact that there are not two but three parties to industrial relations and the control of inflation in the national context. Successive governments since the war have been driven to a tripartite framework within which to find solutions to these problems. If they continue to be the government after the election, Labour will surely soon find that they cannot continue to treat these major questions of social, industrial and economic policy simply on a bilateral basis with organized labour.

## NO SOCIAL CONTRACT WITHOUT INDUSTRY

Labour relations at Ford have not quite dominated this election in the way that labour relations in the mining industry dominated the last one in February. None the less, the dispute over the Ford management's offer has been an embarrassingly topical test case for the much vaunted social contract. A good part of the rhetoric of the election has centred on the question of whether the terms that are under discussion at Ford are or are not a breach of the spirit of the compact. By their uneasy reactions, the Government have in practice indicated that they have difficulty in squaring what is happening with their view of how the contract ought to operate.

From the start the Ford management made it clear that it did not consider itself bound by a compact to which it was in no sense a party. Its line throughout has, understandably, been that it is more interested in manufacturing motor cars with a stable work force than in providing evidence of success for someone else's social contract. In the sense that

## Election issues: dangerously low level of current profits

From Professor Tom Wilson  
Sir, A great deal of attention has been devoted to recent changes in prices and wages and to the various predictions about future increases. It goes without saying that such figures, when seriously estimated, deserve serious attention; but one may also suspect that the main focus of the debate on the electorate has been to strengthen the view that what is said by politicians cannot be trusted. What is unfortunate is that so much attention should have been given to this issue to the partial neglect of some others. One point which has been very much neglected is the fact of the belief, sometimes challenged in the past but still so widely held, that there is a crock of gold in the country sufficient both to offset higher wages and to finance better social services.

Various aspects of our social system are of course regarded as inequitable by many people and radical measures can be retained and strengthened in order to achieve greater fairness. Greater equality in the distribution of capital is a familiar example. (Perhaps I should make it clear that I should personally support some radical measures.) But there is a dangerous fallacy in the common assumption that the world is thought to be unfair is also of such quantitative importance that reform would make a substantial difference to the standard of living of the bulk of the people. It is a fallacy that seems to be held not only by large numbers of the working class but by many others, including many people in universities whose aeglet of the basic facts is less easy to excuse.

The danger of this fallacy is deliberately perpetuated by those politicians who confuse to refer to property speculation and the like and thus confirm the belief that there is a great hoard to be raided for the benefit of the masses. This is a dangerous game to play. It will make it harder to do what has to be done to restore prosperity. Moreover when the anticipations thus aroused are not subsequently realized—and they cannot be—there is bound to be talk of betrayal, sabotage and the like.

Profits are usually regarded as the main component of this wonderful hoard that is there for the raiding; but the facts are very different. The dangerously low level of current profits has indeed received very little attention in the financial press and is reflected in the low level of share prices. But how can the man in the street be expected to form a sensible opinion from the information provided at a morsel popular level?

Figures for profits continue to be quoted by the media and the many millions who peruse them seem impressive. There is often no benchmark provided which would allow the significance of the figures to be better assessed. Apart from the more technical articles which few people will try to understand, there is a widespread feeling that a large part of nominal profits is in fact fictitious or that firms are taxed on these fictitious figures.

After all, the electorate can scarcely be expected to cope with such intricacies as stock appreciation. What is surely deplorable, however, is that the accounting procedures were not reformed long ago as might well have been done. It is also surprising that, even without official reform, the larger companies at least have not agreed to publish two sets of accounts, one on the traditional annual basis and another on what they believe to be a true basis.

## Those helped by 9 1/2% mortgages

From Mr Hugh Rossi  
Sir, I would like to make it absolutely clear in answer to Mr Meacher's letter in your columns, October 7, that the Conservative proposal for a 9 1/2 per cent ceiling on mortgage interest rates is intended to apply only to the first £25,000 of mortgages in exactly the same way as tax relief does at present. I would add that in fact only a bare handful of mortgages are in excess of £25,000, for figures which I have obtained from the Building Societies Association show that last year 95 per cent of mortgages were less than £13,000. The average mortgage last year was for £5,500.

If Mr Meacher believes that our 9 1/2 per cent mortgage proposal is helping the rich he really should try telling this to the 4,500,000 people who are at present buying their homes. The great majority of them are buying their first home and many of them are young couples with pretty limited means. We believe it is right to help them to buy their homes rather than subsidize them perpetually as council tenants.

As for Mr Meacher's comment about rents, he knows perfectly well, because it is clear in our manifesto, that a Conservative government would continue the present rents freeze until the end of December which, as I understand it, is also precisely what a Labour government would do. Both parties have made it clear that rent increases thereafter would be gradual. There is, therefore, no difference between the two political parties in this connexion.

Yours faithfully,  
HUGH ROSSI,  
Haringey Hornsey Conservative Association,  
157 Tottenham Lane,  
Haringey,  
Hornsey, N8.

## From Father Paul Byrne, OMI

Sir, The most disappointing feature of your leading article "9 1/2 per cent by Christmas" (October 4) was its failure to look at the issue of cheaper mortgages in the context of the overall housing situation in Britain today.

A 9 1/2 per cent mortgage rate will certainly be an attractive proposition to many owners of the crippling mortgages on many families of high mortgage interest rates. A recent survey carried out by SHAC (Shelter Housing Aid Centre) showed that 69 per cent of the families coming to us for assistance on buying a home could only hope to obtain a mortgage with both husband and wife working full-time even then their mortgage repayment and related costs would be taking more than 33 per cent of the family's net income.

However, the same survey revealed that building society mortgages at 9 1/2 per cent would still be beyond the reach of 80 per cent of the families who SHAC is assisting to buy their own home. For these families, looking for a start on the first rung of the home purchase

ladder, home ownership is only possible through high percentage, longer term local authority mortgages which do not discriminate against older properties. And these families who are at least able to aspire to home ownership constitute only a tiny proportion (5 per cent) of the total number of families coming to SHAC for help with their housing problem.

Mortgage rates are only one aspect of the current housing crisis, but tragically the debate on the 9 1/2 per cent mortgage rate has been allowed to steal the limelight in this election from more fundamental problems. In Britain, new house construction in 1973 fell below 300,000 units to the lowest level for 14 years. It is clear that there will be a further substantial fall this year, continuing an unbroken trend of decline from the high point of 1962 when 414,000 new homes were built. The production of our gross national product spent on housing has fallen from 6.9 per cent in 1951 to 5.3 per cent in 1972. Council waiting lists in so many housing stress areas are over-stretched to the point where many families no longer bother to register, not because they have no housing need, but because there is no hope of their being re-served by the council within a reasonable period of time.

Homelessness continues to rise at an appalling rate. In the 12 months to March this year, 32 per cent more families than in the previous 12 months were forced to apply to London councils for temporary accommodation because they were homeless; and on March 31, 1974, a record total of 13,500 people were sleeping in temporary accommodation in Greater London, many of them in bed and breakfast hotels, simply because of a lack of anywhere else to live.

These are some of the shameful figures which indicate the real nature of the current housing problem, a problem which requires a much more comprehensive and radical approach than a mere adjustment in the mortgage interest rate. Concentrating attention on this 9 1/2 per cent mortgage to the exclusion of the wider issues does no service to Britain's housing needs.

Yours faithfully,  
PAUL BYRNE, OMI, Director,  
Shelter Housing Aid Centre,  
189A Old Epsom Road, SW5,  
October 4.

From Mrs Rosemary Holland  
Sir, If Mrs Thatcher is to give Christmas presents to the deserving first-time home buyers, what goodies has she in store for the millions of homeless, or near homeless, in this country? Perhaps they do not appear on her Christmas list—the certainly has not mentioned them.

Yours truly,  
ROSEMARY HOLLAND, Chairman,  
St Paul's and Environs Housing Group,  
9 Carnarthe Road,  
Westbury-on-Trym,  
Bristol,  
October 4.

Such intricacies as stock appreciation, however, is that the accounting procedures were not reformed long ago as might well have been done. It is also surprising that, even without official reform, the larger companies at least have not agreed to publish two sets of accounts, one on the traditional annual basis and another on what they believe to be a true basis.

Some facts could, however, be given wider publicity even at this late date.

For example, in 1972 ordinary dividends before tax came to about three pence in every pound of personal income. By no means all of this sum, modest as it was, went to the rich. Part went to pension funds and life funds and part to small savers.

In 1973 the net savings of companies available for the financing of new investment came to less than four pence in every pound of net national income. This is all that was left of gross savings after deducting for stock appreciation, the depreciation of fixed assets and tax and aad after including the capital grants which have received so much exaggerated attention.

The figures for the first half of 1974, given by the Central Statistical Office in a press release of September 20, show how very serious the situation has now become. Although nominal trading profits were 10 per cent higher than in the first half of 1973, this was an illusion created by the rise in the value of stocks held by companies which, as they are used up, must be replaced at higher prices. The official figures, after adjustment for the accrual of profits, were 30 per cent down. Moreover a further deduction has to be made for the cost of replacing fixed capital at higher prices. We can make only a rough guess but set profits must have fallen by something like 80 per cent, as compared with the first half of last year. Even this is not the end of the matter for a deduction has to be made for the cost of replacing fixed capital at higher prices. 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COURT CIRCULAR

YORK HOUSE
October 7: The Duchess of Kent, as President, this morning attended the ATS and WRAC Benevolent Fund's Trustees Meeting at the Duke of York's Headquarters. Miss Jane Fugh was in attendance.

Birthdays today
Marquess of Anglesey, 52; Sir Peter Bourke, 68; Viscount Caidre, 57; Lord Caradon, 67; Sir Nicolas Cheetham, 64; Mr Milner Gray, 75; Vice-Admiral Sir David Gregory, 65; Rear Admiral Sir Alexander McGlashan, 73; Sir Mark Dilliphat, 73; Sir Alan Rose, 75; Sir George Seal, 79; Sir Reginald Sholl, 75; Sir Landborough Thomson, 84; Mr Peter Wood, 46.

Latest wills
Mr Stafford Bond Morris, of Budleigh Salterton, bank official, left £44,461 net (no duty shown). After personal legacies, £1,000 and bequests of £12,000 among eight charities he left the residue equally among four other charities.

Memorial service
Duke of Roxburgh
The memorial service for the Duke of Roxburgh was held yesterday in St Mary's Cathedral, Edinburgh. The Very Rev Philip Crossfield officiated, assisted by the Rev R. H. Hamilton, Major Arthur Collins and the Rev E. M. Pinnent.

University news
Newcastle
The British Heart Foundation has given £120,000 to establish a chair of cardiology at Newcastle University. Dr D. J. Julian of the Royal Infirmary, Edinburgh, will take up the appointment as professor of cardiology in January.

Law Report October 7 1974
Used car seized up after 2,000 miles: seller liable
Crowth v Solent Motor Company
Before Lord Denning, Master of the Rolls, Lord Justice Orr and Lord Justice Browne.

Judges' difficulties in sentencing young people
Regina v Pare
Before Lord Justice James, Mr Justice Shaw and Mr Justice Michael Davies.
When a Judge concludes that an immediate custodial sentence is necessary for a person under 21 of good repute, the sentence of imprisonment cannot be passed because of section 3 of the Criminal Justice Act 1961.

Forthcoming marriages
Mr N. D. Breithwaite and Miss S. J. Ellis
The engagement is announced between Neil David, elder son of Mr and Mrs Michael Breithwaite of Brook House, Slough, Bucks, and Susannah Josephine, younger daughter of Mr and Mrs Roger Ellis, of 6 The Mount, Hampstead, NW3.

Mr R. A. Bruce and Miss E. C. Leeper
The engagement is announced between Robert Andrew, son of the late Robert Bruce and Mrs Elizabeth Bruce, of Cardiff, and Elizabeth Claire, elder daughter of Mr and Mrs T. W. Brian Leeper, of Kingsmead, Blackdown Avenue, Pyrford, Woking, Surrey.

Mr C. E. B. Clive-Ponsonby-Fane and Miss J. B. Bushby
The engagement is announced between Charles Edward, fifth son of the late Mr Clive-Ponsonby-Fane and Mrs M. Flower, of Whitehill, Chiddingfold, Surrey, and Julia Barbara, daughter of Mr and Mrs D. Bushby, of The Lodge, Unsted Park, Godalming, Surrey.

Mr C. J. Drake and Miss J. Jones
The engagement is announced between Christopher, second son of Mr and Mrs J. E. Drake, of Hillborough, Kent, and Mrs J. J. Jones, daughter of Mr and Mrs K. F. Jones, of Sydney, New South Wales.

Mr J. A. Fowler and Miss H. M. M. Joubert
The engagement is announced between Jonathan Anthony, second son of Mr and Mrs J. A. Fowler, of Coldrey, Mayfield, Sussex, and Hendrina Maria Magdalena, youngest daughter of Mr and Mrs H. M. M. Joubert, of Tonteldoos, Eastern Transvaal.

Mr N. J. C. Stewart and Miss P. J. Windham
The engagement is announced between Nicholas, eldest son of Mr John Stewart, of Kibworth Beauchamp, Leicestershire, and Mrs P. J. Windham, daughter of Mr and Mrs J. E. Windham, of St John's Wood, London.

Princess Alexandra and Mr Angus Ogilvy watch as their wreath is laid at a memorial in Cracow cemetery to Commonwealth servicemen who died in Poland in the Second World War.

Princess arrives in Warsaw
Warsaw, Oct. 7.—Poland is keeping relatively quiet about the visit here of Princess Alexandra and her husband, Mr Angus Ogilvy, on the first official visit by British royalty to a Warsaw Pact country.

Dinners
Lady Mayores
The King and Queen of the Hellenes were present at a dinner given by the Lord Mayor and the Lady Mayores at the Mansion House yesterday evening. Others present included: The Marquess and Marchioness of Tavistock, Major-General Sir Ian and Lady Gifford, the Commissioner of the Metropolitan Police, and Lady Mark. The guests were seated at 10 tables.

Christening
The infant daughter of Mr and Mrs J. D. Dore was christened Henrietta Sissy by the Rev P. Bird at St Mary's Church, Chilto Foliat, on September 28. The godparents are the Hon Victor and Mrs J. Dore, and Mr and Mrs John Lucy.



Princess Alexandra and Mr Angus Ogilvy watch as their wreath is laid at a memorial in Cracow cemetery to Commonwealth servicemen who died in Poland in the Second World War.

Princess arrives in Warsaw
The British visitors are finding the Polish officials genial during the round of official engagements. The British visitors are finding the Polish officials genial during the round of official engagements. The British visitors are finding the Polish officials genial during the round of official engagements.

Dr Ramsey says Chileans are suffering
The Archbishop of Canterbury, Dr Michael Ramsey, said yesterday that the masses in Chile were "suffering terribly" as the new regime there reversed the policies of the late President Allende.

Women of the Year luncheon
The Women of the Year luncheon in aid of the Greater London Fund for the Blind, was held yesterday at the Savoy Hotel. Lady Georgina Coleridge, vice-president, was in the chair, and the other speakers were Miss Margaret Drabble, Miss Audrey Greffell, Miss Mary Peters, Dr Faith Spicer and Miss Doris Hale.

Plumbers' Company
The Bishop of Dover said grace at the annual court ladies' dinner of the Plumbers' Company held last night at Cutlers' Hall. The Archbishop of Canterbury, Dr Michael Ramsey, was the guest of honor.

Science report
Medicine: Spread of rubella
Everyone is familiar with the concept of "diseases of affluence". These conditions such as atherosclerosis, varicose veins and many others are thought to be peculiarly related to the developed regions of the world.

Covent Garden to increase prices for some seats
The Royal Opera House, Covent Garden, yesterday announced that its best seats will cost up to £9.50 from December 1, a rise of 70p. The price will rise only for special performances, but grand tier and orchestra small seats will go up from £4.50 to £5 for ordinary performances.

Science report
Medicine: Spread of rubella
This analysis of the Australian team says, also throws light on some hitherto inexplicable difficulties in the spread of rubella epidemics in various populations. Work on this virus has shown that it spreads by means of a small number of infected individuals with a high potential for disseminating it, whereas the rest of the population is less infectious.

Science report
Medicine: Spread of rubella
According to Dr Margo Honeyman and Dr Margaret Menser, of the hospital in New South Wales, German measles, or rubella, is one such disease. Its incidence and the way an epidemic spreads through a population are closely related to the distribution of the histocompatibility antigens. These antigens, found on every cell in the body, provide a unique "fingerprint" for each individual.

Science report
Medicine: Spread of rubella
The cause of Hodgkin's disease is unknown, although there have been several suggestions that it may be caused by some infectious agent, perhaps a virus. In the Australian team's view, this simulates the idea that Hodgkin's disease is caused by some infectious agent, but they emphasize that it probably has no connexion at all with rubella.

Science report
Medicine: Spread of rubella
At the other end of the scale, Japanese from Hawaii and Japan had a relatively low incidence of rubella (between 30 and 45 per cent of young adults).

£14,175 for Chinese dinner service
By Geraldine Norman
Sale Room Correspondent
At a sale of later Chinese ceramics and works of art at Christie's yesterday a family-rose part dinner service of the ever popular tobacco leaf pattern, including 49 plates and 15 oval dishes, was sold for £14,175 (Hogg), the top price.

Christie's sale of English porcelain
Christie's sale of English porcelain totalled £18,911 with a pair of Plymouth figures of a toper and a musician at £92,500.

Modern pictures catering for a wide range of taste brought high prices at Phillips' first sale of selected pictures of the twentieth century.

A French seaside scene by Boudin was sold for £2,700 to Cunningham, and Edward Seago, the English artist, commanded £1,050 for a Gloucestershire landscape in oils (Marlborough). Six watercolor originals for Seaside comic posters by Donald McGill, a typical collection of six ladies and embarrassed boarding house guests, went for £210 (McCartney).

The sale totalled £12,621. A further £1,740, in a Phillips sale at Theobald Hall, Diss, Norfolk, a 1934 Rolls-Royce shooting brake was sold for £2,000 to Gibberson Hall. The two-day sale realized £24,220.

Today's engagements
The Duke of Gloucester leaves London by air for his visit to the United States to give lectures in New York, Washington, and Philadelphia on behalf of the Victorian Society.

Latest appointments
Mr Charles Arthur Settle, QC, to be a full-time member of the Council of the Registrar General, 1st October, 1974. Mr Alex McKelvie to be a member of the Airline Users' Committee, 1st October, 1974. Dr John White to be chairman of the Greater London Council's finance board.

MR LEONARD HAWKINS
Mr Leonard Hawkins, CBE, who was connected with London Transport Services from 1929 to 1962, died yesterday at the age of 77.

MR LEONARD HAWKINS
He was controller of the London Passenger Transport Board from 1940 to 1947 and a member of the London Transport Board from 1947 to 1962. In 1955 he was chairman of the Transport Commission of Inquiry to Singapore, and two years later led a United Kingdom Advisory Mission to help reorganize the transport services in Ceylon. He was a member of the National Incomes Commission from 1962 to 1965.

MR LEONARD HAWKINS
Sir Kenneth Gresson, PC, KBE, who died yesterday at the age of 83, was President of the New Zealand Court of Appeal from 1957 to 1963.

MR LEONARD HAWKINS
Mr Luther Hodges, who was United States Secretary of Commerce from 1961 to 1965, has died aged 76. He was Governor of North Carolina from 1954 to 1960.

MR LEONARD HAWKINS
Mr Ichiro Iwatake, the former managing editor and executive editor of Kyodo, Japanese news agency, has died aged 63.

MR LEONARD HAWKINS
Mr John Thomson, a former chairman of the P & A Association Ltd and of Northcliffe Newspapers Group Ltd, has died in London, at the age of 71.

MR LEONARD HAWKINS
The excavation by the department of urban archaeology of the Guildhall Museum, under the direction of Mr Brian Robley, discovered a wide range of Roman and medieval structures. The most important-looking was what appeared to be a platform of planks lying on the top of stakes of silver birch. Close examination by Mr Peter Marsden, the museum's specialist in ancient boats, revealed that the planks were of clinker construction and were held together by wooden pegs.

MR LEONARD HAWKINS
It now appears that this platform was a collapsed river revetment built by driving a row of wooden stakes into the Thames silt, by leaning sections of a disused boat against the stakes and then by piling soil and rubble behind the fence on the landward side. Similar examples of that sort of medieval date, have recently been found in Southwark and on the

OBITUARY

PROF ANDREW WILSON Pharmacology at Liverpool

Professor Andrew Wilson, CBE, MD, Professor of Pharmacology, University of Liverpool, from 1951 to 1974, has died at the age of 65. He devoted a great deal of his research time to investigating the cause and elaborating the treatment of the serious muscle disease myasthenia gravis and many patients in the Liverpool area, who have been cured as a result of his skilled clinical advice, owe him a great debt.

SIR ANDREW MCFADYEAN
J. H. M. S. writes:
Your otherwise excellent obituary of Sir Andrew McFadyean leaves a gap of 15 years between 1930 and 1945. It was during those years that he laid the foundations of a new career, not just in business and national politics but as an internationalist, of outstanding quality and continuing endeavour.

SIR ANDREW MCFADYEAN
His work for Palestine and the Jews of Germany and Italy will long be remembered. Before he was elected its president, he was for 12 of its most difficult years the treasurer of the Liberal Party, and after the death of the first Lord Perth, he presided over its foreign affairs committee for a further 10 years.

SIR ANDREW MCFADYEAN
His CBE came in 1966. Later he emigrated with his wife and family to Australia and became director of the Grocery Manufacturers Federation of Australia. He took an interest in hovercraft venture and achieved no small reputation for his work on metrication.

SIR ANDREW MCFADYEAN
Throughout his naval and civilian careers he took an active role in sport, particularly rugby football and sailing, and was known to wardrooms throughout the world for his lively piano playing. It is his last talent by which he will be remembered for many years to come, for among other compositions he wrote the official march of the Fleet Air Arm.

SIR ANDREW MCFADYEAN
Lady Forbes Watson, widow of Sir John Forbes Watson, K.C.M.G., has died. She was Alexandra Mary Georgie's daughter of the Rev Canon J. M. Dalton, K.C.V.O., C.M.G., and a sister of Hugh Dalton, late Lord Dalton. She was married in 1918. Her husband died in 1952.

SIR ANDREW MCFADYEAN
Lady West, widow of Sir Harold Ernest George West, has died at the age of 82. She was Winifred Mary Eggleton and she was married in 1925 and her husband died in 1968.

SIR ANDREW MCFADYEAN
Lady Maxwell, widow of Rear Admiral Sir Wellwood Maxwell, KBE, CMS, has died. She was Elizabeth Compton, daughter of Brig-Gen the Hon W. E. Cavendish, and she was married in 1917. Her husband died in 1965.

SIR ANDREW MCFADYEAN
Sir Ira Stammers, the Governor of St Lucia in the Windward Islands, has died aged 57.

SIR ANDREW MCFADYEAN
Ald Joseph Littlefair, a former Lord Mayor of Nottingham, has died aged 83.

SIR ANDREW MCFADYEAN
Major-General Norman Watson, CBE, formerly of the Royal Artillery, who was managing director of the Army Kinema Corporation from 1957 to 1967 and vice-chairman since 1967, has died aged 76.

SIR ANDREW MCFADYEAN
The former managing editor and executive editor of Kyodo, Japanese news agency, has died aged 63.

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# THE TIMES BUSINESS NEWS

**Lovell**  
for CONSTRUCTION

**GRIMA**

## Fall of a third in company profits reinforces fears about liquidity outlook

By Mervyn Westlake  
British companies' gross trading profits fell by more than a third, and the first half of 1973, after allowance is made for stock appreciation.

Although, superficially, gross profits appear to have risen by some 15 per cent, almost two-thirds of such profits were directly attributable to stock appreciation between January and June.

Government figures released yesterday give for the first time a firm estimate of the real finances of the corporate sector.

The official figures fully confirm many of the most alarming estimates made by economists about the very inflation is disguising the contraction in real company profits.

In the first half of this year British companies made £4,576m compared with £4,323m in the previous six months, and £4,152m in the January-June period last year.

However, the proportion of these profits attributable to the effects of price inflation on their stock holdings has risen to 64 per cent from just 23 per cent in the comparable 1973 period.

These figures are bound to influence the debate about company liquidity which has grown since Mr Healey, the Chancellor, sharply increased corporate costs in his March Budget.

The Bank of England gave a warning in its last Quarterly Bulletin about the liquidity problems that many companies now face, with prices firmly regulated and the costs of their raw materials rising markedly.

Increased corporation tax and the requirement to make advance corporation tax payments are additionally claimed to be squeezing cash flow still further.

## 12 nations in draft pact for crisis oil sharing

Copenhagen, Oct 7.—A 12-nation group comprising the United States, Japan, Canada, Norway and the European Economic Community excluding France, has worked out a draft agreement on oil-sharing arrangements designed to meet jointly future emergencies and shortages, the Danish author of the draft said today.

Mr Gunnar Riberboldt, head of the foreign ministry's Energy Office, said the government of the 12 countries would give notice by the end of October that they will formally sign the agreement.

The oil-sharing draft agreement, which may be in force by mid-November, calls for emergency measures automatically to be set in motion if normal oil deliveries to the group as a whole or to individual countries fall more than 7 per cent, Mr Riberboldt said.

The draft was worked out by the energy coordination group set up by the 12 nations last February in Washington, after the Arab producing countries cut back production and deliveries to Western countries as a result of the October, 1973, Middle East War.

The coordination group is headed by M. E. d'Avignon, head of the political department of the Belgian foreign ministry. As described by the author, the draft agreement will work like this:

If normal oil supplies to the group as a whole fall more than 7 per cent, but less than 12 per cent, all member governments will have to enforce a 7 per cent reduction of their national oil consumption, and any remaining shortfall will be covered through allocations from national stocks.

If the group's overall oil supplies fall more than 12 per cent, the member countries will all have to enforce measures to save 10 per cent of the normal national oil consumption, with remaining shortfalls to be covered from stocks.

## Fed ready for fresh interest rates relaxation

From Frank Vogel  
Washington, Oct 7

Further measures are being taken by the Federal Reserve system to ease its tight monetary policies, producing lower interest rate levels and giving a boost to the stock markets.

The Fed's action is being carefully timed to coincide with the introduction of largely deflationary fiscal policy measures by the Administration.

Clearer evidence of an easing in Fed policy is the development of Federal fund rates. Federal funds are reserves banks lend each other. Bankers maintain that in the past couple of weeks the Fed has reduced fund target rate levels to 10.5 per cent from 11 per cent, which is some 2 per cent below the mid-July peak.

Governors of the Fed have repeatedly said that they would ease money policies only when the Administration was taking deflationary fiscal policy action. Such action is likely to be announced tomorrow in a major speech on the economy by President Ford to Congress.

The apparent easing in Fed policy pushed share prices up considerably on Wall Street early today. The Dow Jones industrial average was 12.12 points ahead after two hours of trading. Further, the Fed moves encouraged the First National Bank of Chicago to join many of the country's other leading banks in reducing its prime lending rate to 11.75 per cent from 12 per cent.

President Ford's speech will come at a time of both accelerating inflation and deepening recession. Observers here believe that the President will take the advice of the Fed and both restrict public expenditure and raise taxes on higher income earners.

With unemployment now at 5.8 per cent nationally and as high as 15 per cent in some urban areas, the President is likely to announce a major public works programme. He may well call for some changes in corporation tax to give industry incentives to expand output.

An increasing number of experts here now believe that the pace of the recession is starting to gather momentum. Consumer resistance to high prices is increasingly becoming more evident. This is well illustrated by the latest data on new car sales, which shows that sales in the last 10 days of September were at an annual rate of just 6.1 million units—less than at the time of the oil embargo last autumn.

Further evidence of the general slow-down is the declining rate of new commercial and industrial loans by major banks. The rise in the volume of these loans, according to latest data, was a monthly average of about \$3,000m (about £1,250m) in the first three months, which is about half the rate of increase seen in the previous three months.

## Wet weather paralyses all but four sugar beet process plants

By Clifford Webb

The sugar shortage will become even more acute as a result of the heavy rain which is preventing sugar beet crops being harvested. Only four of British Sugar Corporation's 17 processing factories have sufficient supplies to continue working.

British Sugar said last night that it hoped these present stocks would suffice to maintain supplies to shops and supermarkets. There might, however, be difficulties in meeting the needs of industrial customers such as jam, chocolate and confectionery makers.

Last week's rain coincided with the start of the sugar beet processing season. From late September to early January, British Sugar normally handles between six and seven million tonnes of beet. Only nine of the Corporation's 17 processing plants were able to open. Even this reduced number proved more than five of the nine have since had to close down.

Last night the plants still working were at Briggs, Cantley, Ipswich and Widdington. A spokesman at BSC's Kidderminster branch said: "The weather during the past few weeks has been appalling and farmers have not been able to harvest their beet."

Any further deterioration in the weather could lead to a serious shortfall in sugar deliveries to both domestic and industrial customers.

Cadbury Schweppes, the chocolates-soft drinks group and an important consumer, said last night: "We made our sugar calculations on the basis of a rather poor beet crop this year."

"We also obtain sugar from other sources. This latest bad news does not help but, in the short term, we have sufficient supplies for our needs."

## Cash flow sets problem for local authorities

By Tim Congdon

Local authorities are facing mounting difficulties with cash flow. The main factor is rapid inflation, but its effects have been aggravated by a number of special factors, such as the dispute earlier this year by the National Association of Local Government Officers.

The problems have become so serious that several associations representing local authorities, including the Association of County Councils, last month pressed the Department of the Environment for the rate-support grants—made by the central government—to be brought forward. The department refused the request.

Local authorities would not normally have trouble in obtaining bridging finance from the banks. However, it is understood that several authorities have now reached their overdraft limits. Although there are no doubts about the creditworthiness of such authorities, the banks have been unable to meet requests for extra finance.

The main reason is that banks have been reluctant to increase their borrowings while constrained by the Bank of England's supplementary deposits scheme. They have preferred to lend to companies since they usually pay a higher margin above base rate and are, therefore, more profitable.

Financial difficulties have stemmed primarily from increased tardiness in meeting demands. Some of this is attributable particularly in the London area, to the NALGO dispute, but much the greater part is due to a general reluctance to make payments quickly. This reflects the strained financial environment, with high interest rates and liquidity shortages.

While local authorities are having trouble finding finance, their costs have also risen steeply. Most services provided by local government are labour-intensive and costs are, therefore, badly hit by rampant wage inflation.

Increased wage payments because of threshold agreements have had a particularly severe impact, partly because local authority workers are, on the whole, lower paid than the average, and a given absolute increase has a larger proportional effect.

The reorganization of local government in April has exacerbated the administrative problems which have arisen from the liquidity crisis. Comparing expenditure totals has been rendered almost impossible in some cases, making cost control problematical.

Local authorities can borrow in the City, but the long-term fixed interest market is now issues has been dead in recent months because of inflation, uncertainties. There has been an increase in the weekly issue of "yearling" bonds, which are also fixed interest bonds but with a maturity term of only a year.

Financial Editor, page 21

## Second-half capital spending plans show 8 pc fall on first six months

By Maurice Corina  
Industrial Editor

An unusually large fall in manufacturers' spending on new plant and equipment for the second half of this year is indicated by the Department of Industry's latest survey of investment intentions.

The projected drop of 8 per cent in manufacturers' capital expenditure between the first and second half years of 1974 is historically, a substantial change.

It means that the rise in modernization spending between 1973 and 1974 will only 5 per cent in real terms, compared with the 10 per cent rise in the Department of Trade and Industry's survey of investment intentions.

That forecast was cut back to only 3 per cent in the beginning of this year, amid the energy crisis. In June came a further revision, to a more modest 5 per cent advance.

The effect of a second-half 8 per cent drop in investment, which would confirm a 5 per cent overall rise between this year and last, is that some rise in capital spending between 1975 and 1974 may be recorded.

An official statement by the department said: "If this output is realized, then the level of investment in 1975 suggests that the survey would amount to a further, though smaller, year-on-year increase for 1975. The April/May inquiry indicated little change between 1974 and 1975."

Statisticians are believed to be urging some caution in interpreting this projection. If actual expenditure for the rest of this year—the result of past decisions taken over previous years—does not drop so sharply, then 1975 spending will be stagnant.

The 8 per cent slump indicated by survey returns received over the past two months would be the largest drop for many years. The nearest figure approaching this in the department's records is a 7 per cent fall recorded in the second half of 1962.

It is understood that the department sent out questionnaires to 1,500 companies covering 60 per cent of manufacturing output. In the event, the latest findings on business plans are based on 850 returned forms with a coverage of 40 per cent of production.

On the basis of the previous intensive survey in April/May, which gave advance warning of "a substantial weakening of intentions", the deterioration in capital expenditure ought not to be any great surprise.

It was then expected that the volume of investment by the distributive and service industries (excluding shipping) would fall by about 5 per cent in 1974 and that this would be followed by a further but small reduction in 1975. The results of the August/September inquiry have confirmed this expectation for the non-manufacturing sectors of industry.

**GDP**

Gross domestic product at constant factor cost (1970=100) and seasonally adjusted.

Year	Based on output data	Based on income data	Average on both
1971	102.0	100.6	101.3
1972	104.1	103.2	104.7
1973	109.5	108.7	109.9
1974	101.4	99.9	100.6
Q1	101.4	99.9	101.2
Q2	103.3	101.2	102.1
Q3	102.4	99.9	101.8
Q4	103.3	101.4	102.4

**COMPANY PROFITS**

The following figures show the difference between gross trading profits of companies and net profits after stock appreciation, released by the Central Statistical Office yesterday.

	1st half 1973	2nd half 1973	1st half 1974
Gross trading of companies	4,153	4,323	4,976
Stock appreciation	945	1,571	3,206
Gross trading profits of companies	3,208	2,752	1,770

## Talks on \$300m finance for Frigg development

By Christopher Wilkins

Negotiations are under way to raise loans of about \$300m (£125m) to finance development of the Frigg gas field which straddles the Norwegian and British sectors of the North Sea.

One financing package for the field totalling £42m has already been completed and plans for another, worth £100m for pipeline development on a lease finance basis, reached an advanced stage before being abandoned.

The banks involved in the second deal, Morgan Guaranty, National Westminster and Société Générale, seem likely to play a prominent role in a new loan, which is expected to be split into two parts to finance separately the pipeline and the field facilities.

The loans are expected to be for around 10 years and to carry interest rates of between 11 and 12 per cent.

## Israel-British Bank wins court reprieve

A petition for the compulsory winding up of Israel-British Bank (London) was adjourned for 28 days in the High Court yesterday.

Mr Ehen Hamilton, for the company, told Mr Justice Megarry that an international rescue operation was being mounted by various central banks, including the Bank of England.

The petition presented by the company was based on its insolvency. There are also proceedings in Israel to wind up the parent company.

Court Line, the shipping and travel conglomerate, which crashed in August, was compulsorily wound up on its own petition in the High Court yesterday.

Mr Justice Megarry pronounced the end of the company and a number of its subsidiaries: Court Britain, Constructive Management Services, Clarkson Holidays, Holiday Holdings, British Student Travel Centre, Airfair, and European Commercial Press. All the petitions were based on insolvency.

The only associated company to escape an immediate winding up order was Western Orient Travel, whose petition was adjourned for 28 days.

Mr Hamilton, who represented all the Court Line companies, said that Western Orient Travel's only asset was its air operating licence, which the parent company was seeking to sell.

The companies' affairs are in the hands of a provisional liquidator.

## Wall St firms 'lost \$27m in August'

New York, Oct 7.—New York Stock Exchange member firms sustained an aggregate loss of \$27m (about £11m) in August, the fifth consecutive monthly deficit, industry sources disclosed.

The deficits brought the firms' combined loss to \$102m for the first eight months of this year, compared with a \$217.2m loss in the year-earlier period. There was a \$17.2m combined loss in July and a \$29.3m deficit in August, 1973.

The member-firm community in August continued to be plagued by high costs, sagging trading volume and falling stock prices, conditions which have been squeezing them almost without respite since the beginning of 1973.

Sources said that about half of the 420 firms surveyed made money in August, but that the losses incurred by the other half exceeded the profitable firms' net by \$27m.

Notable exceptions in the financially-pinched industry include Merrill Lynch and Co., which indicated a net profit of \$1.3m, and a few others. But about double the \$4.5m earned a year before, and Salomon Brothers, which said its fiscal year ended last Monday resulted in a \$22m profit, reversing last year's \$6.6m loss.—AP-Dow Jones.

## Animal feedstuffs to cost more

Two manufacturers of animal feedstuffs said yesterday that they were to raise prices while BOCM Silcock, the largest company in the industry, will announce increases today.

Spillers and Pauls & Whites said yesterday that they were to charge an extra £3 a ton for most of their products. Pauls & Whites will charge an extra £4 for poultry feed.

## Property group shares rally

Weekend reports that Northern Developments, the estate developers, were in intensive talks with their bankers to find a solution to the group's financial problems led to a sharp fall in the company's share price in early dealings on the stock market yesterday morning.

At one point the share price dipped to 6p, but later it recovered to close 3p down on Friday night's close at 8p.

Slater Walker, the company's financial advisers, declined to comment yesterday on how the situation was developing. But it seems clear that the company has now been discussing its position with its bankers for some time.

The group has loans of some £40m, and in July it announced that the banks had agreed to roll-up interest on some of these loans on a temporary basis.

## IMI strike may lay off 5,000

Imperial Metal Industries' 230-acre complex at Witton, Birmingham, will be at a standstill within 48 hours, a management spokesman forecast yesterday after an unofficial strike was announced by its 1,000 craftsmen.

The men are demanding a £1-a-week rise plus the company's share of the 22.50th increase in their basic rate, all backdated to September 1. A management spokesman said that within 48 hours all the 5,000 process workers would be laid off bringing production to a halt.

## Warning on jobs policies

From page 1

Becoming convinced that something must be done about inflation, with some courage and in the face of many earlier failures, they imposed controls on incomes and prices.

"But at the same time, instead of using this as a means of mitigating the less agreeable consequences of the adoption of financial prudence, they went ahead with a credit expansion and deficit budgeting on a scale unprecedented in the peacetime history of this country."

Lord Robbins concluded: "In my judgment, there can be no possible objection to the intention to manage things so as to avoid contractions of aggregate expenditure such as we now know were the main cause of the magnitude of the depression of the Thirties."

"Having been on the wrong side in this respect at that time, I should be very sorry indeed if I gave the impression that what I am about to say implied any support for the view that when aggregate expenditure has collapsed, as it did in the Thirties, there is a need for governments to do anything about it."

"But the blanket pledge to maintain a high level of employment which I invoke has confused much thinking ever since. First there is an ambiguity about the quantitative significance of the term 'full employment'."

"Secondly, and this is even more important, the undertaking to maintain high levels of employment—just like that—involved no reference to rates of wages."

Lord Robbins concluded: "If it were admitted, as it surely must be, that inflation is only to be checked by reduction of the excess of aggregate expenditure over the probable increase of

## 7,000 idle as Chrysler output halts

By R. W. Shakespeare

All Chrysler car production in Britain came to a standstill yesterday with some 7,000 workers made idle because of strikes and lay-offs at assembly plants in Coventry and at Linwood, Renfrewshire.

The shutdown came in spite of a return to work by 320 tool-makers whose unofficial strike closed the American-owned company's Stoke (Stafford) engine factory last week and the recall of 4,500 workers there who had been laid off.

The Ryton (Coventry) plant ran out of engines yesterday and car assembly had to be stopped until stocks could be replenished. Five thousand workers were sent home. Production is expected to start again this morning.

At Linwood 2,000 workers walked out in protest against management plans to transfer some men to different jobs in order to cover gaps caused by heavy absenteeism. They, too, are expected to return to work today.

The toolroom workers have suspended their strike action while an inquiry is carried out by the Conciliation and Arbitration Service into their demand for another pay increase three months after their last wages settlement. They claim that their earnings have fallen behind the average toolroom rate in the Coventry area by as much as £5 a week.

Prices rise: Prices in the United Kingdom of the Dutch-built Daf car rose by an average of 6 per cent from yesterday. The total cost of a Daf 46 de luxe goes up from £1,173 to £1,255; of the 66 SL saloon from £1,315 to £1,430; and of the 1300 Marchoo from £1,521 to £1,630.

## How the markets moved

The Times index: 75.21 +0.62  
FT index: 194.8 +3.3

**Rises**

Asst Pt Cement	3p to 8 1/2p
Barclays Bk	5p to 14 1/2p
Beecham Grp	4p to 13 1/2p
Brown Hov	2 1/2p to 7 1/2p
Broken Hill	2 1/2p to 8 1/2p
GN	4p to 14 1/2p
Lesney Oxd	2p to 17p

**Falls**

Aurora Gear	1p to 8p
Brit Sugar	5p to 12 1/2p
Barrow Hov	2 1/2p to 7 1/2p
Dawson Day	2 1/2p to 7 1/2p
De La Rue	2p to 12 1/2p
Greaves Org	2p to 14 1/2p
Hawtin	1p to 5p

**THE POUND**

	Bank buys	Bank sells
Australia S	1.845	1.785
Austria Sch	44.50	42.50
Belgium Fr	93.25	90.50
Canada S	6.345	6.285
Denmark Kr	14.20	14.10
Finland Mkk	9.10	8.85
France Fr	11.30	11.00
Germany DM	6.25	6.05
Italy Lr	71.50	69.00
Hongkong S	11.85	11.50
Japan Yn	1,640.00	1,590.00
Italy Lr	725.00	700.00
Netherlands Gld	6.15	6.05
Norway Kr	12.65	12.65
Portugal Esc	69.00	64.50
S Africa Rd	1.83	1.81
Spain Pes	137.00	132.00
Sweden Kr	10.50	10.20
Switzerland Fr	7.00	6.75
US \$	2.38	2.33
Yugoslavia Dnr	39.50	37.00

Equities were steady, and improved in late dealings. Gilt-edged securities had a quiet session. Sterling was five points higher yesterday at \$2.356.

Gold fell by \$3 1/2 to \$157 yesterday. Commodities: Reuters commodity index was 3.1 points lower at 1,256.9.

Reports, pages 23 and 25

**AGB**

The company has held to its path of steady growth.

1974 1973

Turnover	£4,424,487	£3,378,836
Profit before Tax	£625,977	£491,582
Profits after tax attributable to AGB Research	£273,643	£268,617
Net Cash Flow	£404,841	£353,780
Earnings per share	5.9p	5.8p

Speaking to AGB Research shareholders on 7 October, the Chairman, Mr. Bernard Audley, said: "The Company is maintaining strong growth despite adverse conditions generally. Expansion is helped by large new contracts for continuous research in a number of sectors."

In the present economic situation, AGB's low business capital requirement is a substantial advantage, and a strong cash flow enables the Company to make swift investment decisions. AGB continues with its policy of initiating new services to meet changing conditions.

Challenging times lie ahead but trading results to date confirm my confidence that we shall achieve further satisfactory growth in the current year.

Copies of the Annual Report and Accounts may be obtained from the Company Secretary at:

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### EEC facing widespread paper famine by 1980

By Edward Townshead

A widespread paper famine in the EEC by 1980 is indicated in a new report which shows that to keep abreast with demand the Community will have to import more than 21 million tonnes a year of paper, paperboard and pulp when there is expected to be a world shortage of raw materials.

The report, which has been compiled for the Fédération des Associations d'Éditeurs de Périodiques (FAEP) in Europe, by Mr David Burnett, director-general of the Periodical Publishers Association, stresses that the EEC's net self-supply level in paper and board, now under 50 per cent, could fall sharply.

This, Mr Burnett says, would be the result of consumption growth in the EEC and the tendency for exporting countries to prefer selling end-products rather than wood and pulp.

Mr Burnett, who is also a joint vice-president of FAEP, calculates that EEC consumption of paper and board will grow from 26.9 million tonnes in 1970 to 42.8 million tonnes by 1980. But assuming that production continues to increase by 4.5 per cent a year, output in 1980 will reach only 32.1 million tonnes.

If increased use of waste paper reduced the amount of new pulp used in paper and board production to 60 per cent, the EEC's pulp requirements at the end of the decade would be 19.3 million tonnes. With pulp output in the EEC unlikely to exceed 8.3 million tonnes by 1980, imports of almost 11 million tonnes of pulp would be necessary.

### Jensen workers improve output

Workers at Jensen Motors have responded to an allegation by Mr Kjel Qvale, their American chairman, that they were not working hard enough by not volunteering for overtime duty. Production is already improving.

Notes for overtime working for three days a week are being drawn up with the men's unions.

Yesterday Mr Qvale said: "I am very encouraged by the men's response since my announcement last week referring to our serious financial position. It does show that when the position is put to them fairly and squarely they can respond most responsibly."

Despite this improvement, however, he still intends to go ahead with his plan to make 100 staff and indirect workers redundant. He said the move was still necessary to improve the company's liquidity.

### Private sector housing starts down by half and completions by 29pc

By Malcolm Brown

Private sector housebuilders had another bad month in August. Provisional figures published by the Department of the Environment yesterday show that only 9,000 private dwellings were started in Britain during the month—half the total reached in August 1973. On the same annual comparison, private sector completions were down nearly 5,000 to 10,000.

These results will increase pressure on a new government to take immediate steps to boost the housing market.

Building leaders yesterday described the figures as "appalling". The House-Builders Federation said that the statement last month by Mr Reginald Freeson, then Minister

for Housing and Construction, that the fall in starts in the private sector had "bottomed out" was clearly disproved by the August figures.

"The government loan to the building societies as a factor in the massive state interference in the industry, through land nationalization and municipalization of privately-rented housing, on top of difficult market conditions, including liquidity problems", the federation said.

There is continuing uncertainty over the mortgage rate and over the effect of the Government's requirement that the loan should be repaid.

One of the few consolations in the August figures is that

council housing continued on a relatively buoyant trend. About 12,000 dwellings were started and 10,000 completed.

Taking three-month totals of the housing figures to reduce the effect of month-to-month fluctuations, and discounting normal seasonal movements, private sector starts in June to August were 12 per cent down on the previous three months and 51 per cent down on the same period last year. On this basis completions were 17 per cent and 29 per cent down.

In the public sector starts in June to August were down 10 per cent compared with March in May, but up 38 per cent on a year ago. Completions increased by 1 per cent and 17 per cent respectively.

### Oil states' surplus estimated at \$50,000m

By Peter Hill

Major oil-producing countries are likely to record a current surplus of between \$45,000m (about £14,957m) and \$50,000m this year—appreciably lower than widespread estimates of between \$60,000m and \$80,000m—according to Dr Jahangir Amouzegar, the Iranian economic delegate in the United Nations.

Addressing a London conference on world energy finance, he said the World Bank to which Dr Amouzegar has been attached, had calculated that the cumulative reserves of the major oil producers by 1980 would total \$650,000m, based on the assumption that output grew at 7 per cent with an average government "take" of \$8.60 per barrel in real values.

Dr Amouzegar, who emphasized that he was expressing a personal view, suggested that the 7 per cent growth estimate was almost certainly too high, and said energy and oil consumption were likely to grow at only 4 and 5 per cent annually.

This growth would imply large conservation efforts in industrialized countries and some change in their life-styles. Both, he suggested, were likely.

There was only a limited prospect that the oil producers would invest heavily in alternative sources of energy, despite the massive surpluses.

While the world price of oil remained below the cost of developing alternative energy sources, or exploring and exploiting new oil reserves, he estimated, there was little incentive for the members of the Organization of Petroleum Exporting Countries to provide finance for this investment.

Speaking earlier to the conference, which was organized by the Financial Times, Dr P. H. Frankel, a leading oil economist, said that North Sea oil was "extremely promising"—although it cost 12 times as much to extract as Middle East oil.

In spite of the high cost of producing North Sea oil, its investment cost was still cheaper than many other Middle East oil substitutes such as oil from shale and synthetic gas from coal.

On the same topic, Mr Terence Green, a senior British banker, described North Sea oil as "possibly one of the best bankable situations available in a generally gloomy market for lending money".

But Mr Green, an international executive of the National Westminster Bank, said this favourable situation depended on clarification of British Government policy towards the North Sea so that companies and bankers could see a satisfactory cash flow to repay loans.

### Two more years needed for full nuclear build-up

It will take the British nuclear industry two or three years to build itself up again to undertake the "much larger nuclear programme that is soon going to be essential", according to Sir John Hill, chairman of the United Kingdom Atomic Energy Authority.

Speaking in London yesterday Sir John said he had heard criticism of the small size of the nuclear programme recently announced.

He added, after saying there had been no nuclear power station order since 1970 for either company involved in the National Nuclear Corporation, that "continuity of ordering and manufacture is essential in the engineering industry".

### Bristol dock cost may double £12m estimate

The 800-acre West Dock now in an advanced stage of building at Bristol could cost twice the original estimate of £12m, Port of Bristol Authority officials admitted yesterday. Inflation of construction costs has already pushed the figure to £20m and the dock is not due to be completed until 1976.

With higher capital costs and inflated interest charges (the dock, being municipally owned, is financed out of the City's consolidated loan fund) running at 9½ per cent, the PBA has started a big marketing exercise to win custom for the port, which has a potential 6 million tons a year throughput—more than the rest of the port put together—from 1976.

### Association of Insurance Managers' aim

A big increase in membership from the present 400 to possibly 6,000 by the end of the decade is expected by the Association of Insurance Managers in Industry and Commerce.

This follows a decision to expand membership to include company secretaries, lawyers, accountants and others involved with insurance or risk management. Previously only professional insurance managers were eligible to join.

The association hopes to become a broader-based body more representative of all insurance buyers in industry and commerce and it has incorporated risk managers in its title to recognize a change of emphasis that has been occurring in industry.

### Computer news

#### General Election coverage systems

Improved versions of the computer systems used in the February general election will be employed by the Press Association news agency, British Broadcasting Corporation and Independent Television News in their election coverage on Thursday night.

In between the incoming telephoned results from the local reporters and the teletyped, tabulated results which go out to the media, the PA data will be processed at the agency's Fleet Street office by twin Digico Micro 16V computers.

Using software written by Computre of Westminster, a Software Sciences subsidiary, the computer can process a single

constituency result in 12 to 15 seconds.

A "classified edition" of the night's results will go out at 5.30 am on Friday. This will take about three hours by normal transmission, or about 25 minutes in a special experimental high-speed data link to the Oxford Mail.

More detailed visual aids are planned this time by ITN, who first used a Digital Equipment Corporation PDP-11 computer coupled to a VT-30 mimic display for the February election. At that time only a few pilot ideas were tried; now almost 100 different designs of graphs, maps, histograms and other illustrations are available for display on the VT-30 screen.

This display unit was developed for industrial process applications. For the ITN election coverage the system was implemented by Software Sciences.

In parallel, ITN will be using the Interact timesharing service provided by Baric Com-

puting Services, based on an ICL 1905F computer in Manchester. Linked to terminals in the ITN election studio, this will be used for four tasks: to assemble detailed constituency results; update the results scoreboard and prediction of final results; analyse trends and voting patterns; and generate input for data for the DEC graphics display.

As in February, the BBC is basing its election-night computing on the use of its own in-house ICL 1904A machine, normally used for management information. Mr Clive Payne of Nuffield College, Oxford, has written the programs.

As well as the reporting and analysis of the election results as they come in, the BBC will endeavour to predict the final result from a Harris Poll survey conducted during the day. Mr Graham Pyatt, Professor of Mathematical Economics at Warwick University, will be in charge.

Kenneth Owen

### LETTERS TO THE EDITOR

#### Industry needs tax relief

From Mr Peter Levy and Mr D. K. Woodburn

Sir, It is realized that the company whose working capital is a quarter of its annual sales needs to earn a net profit of 8 per cent on sales before tax, at current rates of taxation and inflation, solely to finance each subsequent transaction? Further investment in the business and distribution of dividends can only come from profits in excess of this figure. How many of our corporations are properly distributing dividends?

High taxation and inflation have a pernicious effect on business, they result in taxing paper profits which are not earned, and are needed to finance the rising cost of each subsequent transaction. This, coupled with price control, destroys the basis of a continuing business as it is unable to replace the working capital (stock, etc) which it needs.

Business is the means by which this country lives and profits are needed to refund and expand trade. If inflation and taxation choke off this life blood business will stagnate and eventually fewer people will be able to find employment.

The way to achieve a sound basis and increase production is for business to be given its head by reducing taxation and other burdens with which it is faced. Taxation must be cut even at the cost of other desirable benefits to the community.

The Chancellor of the Exchequer anticipates withdrawing a further £1,000m in Corporation Tax in the present year, an increase of 45 per cent, as well as a further £2,600m in increased income tax. The drastic effect this has on business liquidity and the inflationary effect on prices will be understood by every businessman.

The standard of each individual depends on our ability to produce and trade successfully in the home and export market. Each additional burden on business damages those standards which we all wish to see raised.

Let businesses trade freely and retain adequate funds for their enterprises and they will produce the goods.

Yours faithfully,  
PETER M. LEVY, President, Ealing Chamber of Commerce,  
D. K. WOODBURN, Chairman, Ealing Industrial Group.

#### Soaking the rich and preserving old houses

From Mr Michael Gibbon

Sir, I am honoured by two replies in your columns to my letter of September 3. Mr Fletcher tries his best to comfort me, telling me that my old man can give half his wealth to his wife. But what happens if she dies this winter? If she lives, what is to stop the Chancellor changing his mind and making husband and wife jointly liable to wealth tax as they are already to income tax?

Mr Shanks, to judge by his short letter, has missed the point of what I wrote. Perhaps I expressed myself badly. My point is this: a tax on so assets (a house) which can only be paid by realizing other assets, or by a forced sale reducing the asset itself to a fraction of its former value, cannot be a just tax nor I believe a viable tax, and it is bound to lead to the deterioration of houses.

Perhaps my introduction by way of the fictional old man was too long and too dramatic. If so, I am sorry. I really did not mean to suggest that old people without capital do not matter. I agree that I did not refer to them, but that is because I was not considering people so much as beautiful old houses, in the conservation of which my working life has been spent. There are after all many thousands of people, young and old, who feel these buildings to be of national importance.

I am, Sir, your obedient servant,  
MICHAEL GIBBON,  
Abberton Hall,  
Pershore,  
Worcestershire.

#### Natural gas's explosive price rise

From Mr I. Bryant

Sir, I am not certain whether British Gas has been exceedingly skilful in putting through its increased charges to small industrial and commercial customers, or whether we are all now so befuddled by gigantic price rises that nothing calls for comment any more.

Following the trebling of our heating oil price, I carried out a detailed cost investigation on the advantages of changing over to natural gas.

I had come to the conclusion that the substantial capital cost would be justified when I noticed a report on August 2, saying that the Gas Council had applied to the Price Commission for increases which would represent an average of 20 per cent and in particular Ronald Kershaw's postscript that increases for 18,500 companies in Yorkshire looked like averaging 36 per cent.

I consequently declined to go ahead with the changeover until Segas could confirm its new tariff, which I have now received. In our case this would represent an increase of 48 per cent.

Doubling my mathematics, I asked Segas to check my figures and it has confirmed that they are correct, but points out that this is not a normal increase and that the average is only 20 per cent.

I find this hard to believe because an hotel, for example,

needs to heat its premises for a much higher percentage of the time than a factory, and I doubt whether our estimated use of 31,000 Btu's for a rated output capacity of almost exactly 2,000,000 Btu's is unusual. It would be interesting to learn whether other readers are struggling to understand how the Gas Board arrives at an average figure of 20 per cent.

However, even this possible misrepresentation of the size of the increase to small commercial users is understandable—the Gas Board is in business to sell the stuff and make a profit, and if customers can stand this increase, from the Gas Board's point of view, it is right to make the increase.

What is totally incomprehensible is how the Government can understand how the Gas Board will discourage existing oil users from changing over to natural gas at the very time when financial incentives ought to be offered to companies to cut their oil usage.

This hotel will not now, of course, change over to natural gas and we shall continue to use the Arabs' oil instead of switching over to Britain's natural gas—a switch which would have balanced the United Kingdom balance of payments by £6,000 per annum.

Yours faithfully,  
IAN BRYANT,  
Douce's Manor,  
West Malling,  
Kent.

#### British workers

From Mr J. L. Blonstein

Sir, Mr Holdsworth (September 27) has been trapped by the perennial myth, regenerated by the recent NEDC report, that United States workmen are three times as efficient as their British counterparts.

Not true. A survey conducted some time ago on the many Ford factories throughout the world showed a plot of capital investment per man against output per man. The plot reduced to a straight line.

Ergo, give a man all the facilities and mechanical and electronic assistance that technology can provide, and he will produce. The Briton might have his modern machine tool, but the American has more.

To take it to extremes, imagine an American with a hammer, chisel, hacksaw and file, and a Briton with a £50,000 numerically-controlled machining centre. Who will produce more?

Yours faithfully,  
J. L. BLONSTEIN,  
27 Leigh Road,  
Wimborne,  
Dorset.

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BY THE FINANCIAL EDITOR

# Local authority yearlings the one market certainty



Mr Paul Tapscott, chairman of Lesney Products: increased capacity boosts output.

If a steady decline in local authority yearling bond coupons, which has brought them from a summer peak of 14 1/2 per cent to 13 per cent, is halted this week as seems likely, it will at least not be from any lack of investor demand. Through all this year's stock market gloom, yearlings have stood out on an oasis of light. At this time last year issuing brokers and banks were struggling to place £7m or £8m stock a week, but now they are offering the Bank of England's maximum of £15m or £16m and are consistently meeting heavy over-subscriptions. There can be little doubt that they have provided a home for a large part of the funds fleeing from ordinary shares and debentures. So persistent has been the pressure—particularly from relatively small investors—that authorities can now float yearlings on 14 or 15 per cent terms below the rate they have to pay to raise one year funds in the money market. A year ago the differential was only a tiny fraction of a point, and with such a margin in favour of bonds it is hardly surprising that they have been so widely stretched into next January.

Any stock market revival could, of course, see much of those funds flowing out very rapidly now that the market is so much less dependent on the steady absorption of the yearlings than it was at the end of the discount market. But this possibility only adds fuel to an idea, now apparently commanding some support in high places, which would serve to put a significant part of local authority financing on an entirely different footing.

This is that loans by banks to local authorities should be offset against deposits in the same way that inter-bank loans are for the purpose of computing eligible liabilities. With banks extending to local authorities the controls on the growth of interest-bearing liabilities are likely to become oppressive, the immediate effect would be to increase their deposits—and hence their lending to cash-squeezed industry—by the amount they currently lend to local authorities without incurring penalties. It would equally have the result of making lending to local authorities much more attractive to the banks—and hence cheaper to the authorities—since they could now raise funds for this purpose outside the "disciplines" that govern expansion of deposits.

Whether or not the implications of all this for the money supply prove to be a fundamental obstacle, it is hard to ignore the political attractions of any scheme which, at a stroke, releases the money from bank lending to industry and eases the mounting funding pressures currently being experienced by local authorities.

## Unicorp Up goes the dividend

In its defence document against Gold Fields of South Africa's offer, Union Corporation has only gone so far—but this should be sufficient to bring GFA's bid back with a higher bid than the present 33p.

Traditionally a highly conservative dividend payer, Unicorp eased this policy at the time of the interim statement when the proposed merger with Barlow Rand was still in the air. Now, obviously spurred by current events, the dividend total for the year is being increased from 24c to 42c a share on earnings forecast to rise from 47.5c to 65c for calendar 1974. This is a 70 per cent rise from GFA's on its forecast dividends.

Unfortunately, when GFA was illustrating the relative proportions of gold in the current asset values, it was not comparing like with like. Its figures for the year ended in Anglo's Elandsrand mine have been included in their asset valuation equivalent on several not over-convincing assumptions to 46c on the putative increased value but the Unicorp take in Unisel where dealings begin in a fortnight and worth at the offer price 45c a share to Unicorp has been excluded. In other words, the gold backing in the combined group behind each Unicorn share is 30c from 53c to only 58c, but the stakes in platinum and other interests is so diluted that assets overall drop from 881c to 704c a share.

Tactics now abound under a strict interpretation of Panel

## Manchester Liners Cash looks attractive

Under Takeover Panel rules Manchester Liners is still not subject to a bid since at this stage Euro-Canadian Shipholding has simply said that it is a buyer of ML shares in the market at up to 85p until next Friday. However, applying article 15 of the Licensed Dealers' Code of Business Rules 1960, the Treasury is treating this as a takeover situation, and ML can forecast a 150 per cent increase in the dividend this year to 7.5p as share gross. Article 15 says that where more than one party is involved, as obviously there is in this case, and where there is an intention to acquire control, as a mystery party (presumably Euro-Canadian) did in approaching Furness, Withy for its 56 per cent stake in ML, then it is a takeover attempt.

What ML appears to be saying, along with its forecast that profits will rocket from £12m to £25m, is that the West's 56 per cent stake in ML, then it is a takeover attempt.

What ML appears to be saying, along with its forecast that profits will rocket from £12m to £25m, is that the West's 56 per cent stake in ML, then it is a takeover attempt.

## Stanwood Radio A dip into the red

A first half loss at Stanwood Radio can hardly be counted a great surprise. Electrical goods retailing, not to mention television rental, has been going through a rough time in the market is that the difficult trading background will also be reflected in a sharp dip in tomorrow's interim profits from Currys.

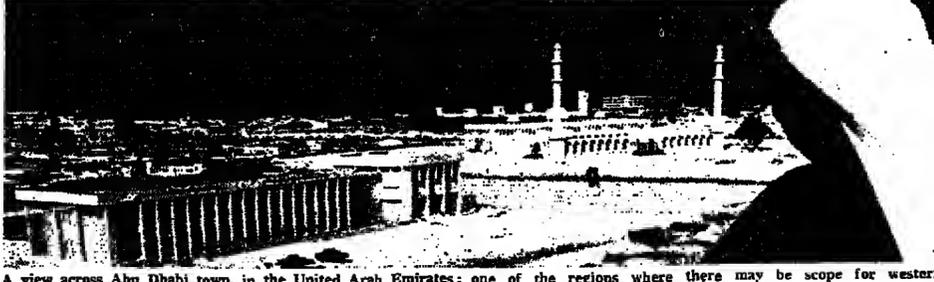
## Lesney Volume growth

Despite a volatile record that might suggest a contrary picture, toy manufacturers are holding up remarkably well in the current squeeze on consumer expenditure. In a number of cases figures from Lesney tell the by now familiar story of burgeoning overseas and export demand, continuing recovery at home, and better margins on the back of increased volume through-out.

Operating profits are virtually double at £1.7m for the first six months of the year on a sales rise of just over a third. Exchange rate realignments do not appear to have thrown up any net benefits this time around. But, judging by the tax charge, United Kingdom profits are flattered by comparison with last year—when industrial action disrupted the group's production in the opening months.

The key to Lesney's recent

Anthony Rowley assesses the growing opportunities for western financial expertise



# Arabs look to internal investment

When just about every institution worthy of the name "bank" (and some that hardly merit the status) is scrambling to establish a bid in the Middle East, it is easy to miss the significance of such moves as the creation last week by Arab Bank, the City accepting house of a new Dubai-based merchant bank for the Arab world.

These moves appear to recognize that, however great the scope for banks participating in the short-term recycling of oil state surpluses—and this may well have been exaggerated—there is much greater long-term potential for investment and merchant banking operations in the Middle East.

In fact what emerged most strongly at a recent conference in Beirut on the oil surplus funds\* is the major preoccupation of the Arabs with investing in the development of their own economies, rather than in the West. They see themselves engaged in a race against time, to reach the state of industrial and financial "take off" before their oil reserves are depleted.

The so-called surplus funds are as national as they are inconceivable in magnitude—a windfall profit from pressurizing the West economically over the Arab-Israeli crisis. Much of this surplus may disappear in the re-called plans for development of their industries and capital markets, as well as amenity infrastructures.

Their anxiety only to proof oil revenues against inflation, pending investment of them in domestic development, was a factor in their decision to set up, in priority, speculative investments in the West has little attraction for the Arabs, and, as one prominent Egyptian banker said, the performance of even

based on relatively conservative estimates of the funds likely to be available.

Total OPEC exchange earnings in 1974 alone are likely to be \$120,000m and of that some \$75,000m—an increase of \$60,000m—will go to the Middle East members. Estimates of how these revenues are likely to rise beyond this become notional, because of the worldwide easing in oil demand.

However, without subscribing to the World Bank view that OPEC external assets could rise to \$1,200,000m by 1985 (or similar) estimates from the Kuwaiti Chamber of Commerce and Industry (I) is possible to gauge even from current revenues the massive potential for developing the Arab economies.

To speak of "Arab" rather than OPEC economies in this context is more than a convenient shorthand because the 10 Arab oil producing states see themselves principally bound by the Islamic tradition to aid the remaining Arab countries. Iran, in any case, already has a relatively well developed economy.

But the essential point is that, of the plethora of papers presented at the Beirut conference, most of those by Arab bankers and economists concentrated on the outline of plans for development of their industries and capital markets, as well as amenity infrastructures.

Their anxiety only to proof oil revenues against inflation, pending investment of them in domestic development, was a factor in their decision to set up, in priority, speculative investments in the West has little attraction for the Arabs, and, as one prominent Egyptian banker said, the performance of even

the leading stock markets has persuaded them that they will not lose by investing in their own industry albeit for very modest initial returns.

This leads to Arab Bank's Latham's type of strategy in setting up an Arab merchant bank and involving some of the most powerful national figures in the venture, thus recognizing the almost feudal nature of many Arab societies.

Speaker after speaker in Beirut stressed the Arabs need not just for industrial technology from the west but for financial expertise to help them create a banking and capital market structure capable of transforming liquid surpluses into long-term investments.

They have had enough of the hordes of financiers and entrepreneurs from the United States and elsewhere arriving in Beirut every day and pressing the Arab bank bankers there to invest in just about every kind of speculative western venture. These incidentally range from suggestions that the Arabs should finance Scoreb mail whisky stocks to a rumoured approach by Mr Spiro Agnew to a Lebanese banker over a United States real estate investment.

The idea of Mr Stephen Keynes, the Arab Bank director mainly involved in the "ORIX" merchant bank venture, is to bring together Arab rulers and entrepreneurs (there are few of these latter, though the "Triad" group in Saudi Arabia is an exception) wanting to undertake industrial ventures, with British or other western industrial partners.

These partners would probably have to be prepared to subscribe equity capital to ad hoc groupings designed to carry out and run the industrial projects.

Above all the Arabs seem to want western involvement in ventures and not just imports of technology and plant.

Their probable scope for this sort of approach in Saudi Arabia, Kuwait, the Lebanon, the United Arab Emirates, Jordan, Tunisia and Morocco—countries all identified with the free market system.

Countries like Egypt, Syria, Iraq, Algeria and Libya are much more oriented towards central planning and, though they are tending more towards a mixed economy principle in several cases, western private enterprise partners are unlikely to have such freedom there.

Some interesting and novel incentives are likely to be offered to western industrial companies prepared to help in the development of Arab economies. Mr Saud Shawaf, a former member of the Saudi Arabian Government and now a legal consultant to the oil industry, talked for instance in Beirut of medium-term loans on concessionary terms (offered via the banking system) to companies prepared to participate.

Whether the Arab states would be such offers among themselves depends on how effective the sort of solidarity manifested in the establishment of pan-Arab development funds proves to be.

Mr Shawaf foresaw the future role of the Western oil majors now that they are losing their oil concessions under participation agreements, as trading companies using their managerial skills in the Middle East to supervise industrial projects on behalf of governments.

Though these would initially be downstream activities from oil, such as refining, fertilizer and chemical manufacture, as well as shipping, they would

need to bring in other leading Western industrial companies for general industrial, mining and agricultural development of Arab states.

However the oil companies regard such a move—and diversification is very much in their minds at present—it would hardly preempt the role of the merchant banks in the Middle East.

There is probably ample scope for other types of western financial institution too. Many of the Arab countries are anxious to develop money markets for intermediating funds between the state or government oil revenues and the private sector. Of the free type economies, Kuwait is probably most advanced in this respect and, though banking business there is effectively closed to outsiders, there is some evidence of liberalization.

The setting up of investment funds and development funds there has been followed by the establishment of insurance companies, and there are plans for a stock exchange. Saudi Arabia and the UAE are following not far behind in this respect.

Because of Britain's non-alignment in the last Arab-Israeli clash (and saving another such clash, which would probably be of much greater proportions as King Hussein's special adviser, Abdul Monem Rifai, has warned, if this country is not placed to cooperate in the development of the Middle East, as Arabs see it).

As Arabs have a reputation for generosity in business dealings with those they like and who take the trouble to get to know them, it could be a profitable phase of the Arab fund recycling, too.

\* Sponsored by the Financial Times and by British Airways.

# A personal view by Eric Wigham of prospects for the social contract Risks at play in the political knockabout

It is nice to think that in a couple of days the election will be over and we shall be released from the barrage of half-truths, misrepresentation, and sheer claptrap from all political parties about industrial relations and every other subject under the sun.

In the field of industrial relations, perhaps more than any other, this kind of stuff is not merely irritating but insulting to the intelligence but can, and does, do harm.

The development of industrial relations depends to a large extent on the intangible but important shifts in the general attitudes of workers and employers and indeed of the mass of the people. These attitudes are affected, usually for the worse, by election nonsense.

The heated debate about price and wage statistics, with its mutual recriminations, can perhaps be dismissed as a somewhat ridiculous, everybody based but calculations on the same official figures and generally quoted them accurately.

When Mr Healey claimed that the rate of increase in prices from May to August, 1974, was 14.4 per cent in a year, he was quite right, but neither he nor anybody else supposed the underlying trend of inflation was anything like as low as that.

For, for debate by social scientists rather than economists, after the end of statutory controls, and threshold increases.

The last, under the TUC's social contract guidelines, are supposed to be taken into consideration in the next round of pay negotiations.

No one can really suppose that the underlying trend of pay increases is running at 44 per cent. In this case the effect of the big figure is a muddling rather than a clarifying one, and there is a danger of mistaking good reason for great emotion to be generated.

Perhaps the most astonishing use of statistics was Mr Heath's observation that the number of strikes in the past

five months was 7 per cent higher, and the number of days lost 33 per cent higher, than in the corresponding period last year under a Conservative government.

The Conservative Government and ignores the fact that the loss of time through strikes over the whole period of the Conservative Government was actually less than at any time since the 1920s.

Yet it is true that workers have shown little sign of trying to help Labour by keeping the peace, either before or during the election. Time has, of course, been short, but many are already ignoring the advice given in the TUC social contract guidelines to make use of the new Conciliation and Arbitration Service to try to resolve disputes quickly.

However, it is in their treatment of the social contract that the politicians have done most damage in the past three weeks. The exaggerated claims made for it by Labour politicians have provoked assertions by leaders of the other parties that the contract is not worth the paper it is not written on or that it has already failed.

The effect of this must be to make both employers and workers more likely to behave as if it did not exist, as both sides at Ford have been doing.

This has been made worse by the fact that the social contract, which must create the impression that all talk of contracts is just political wind, worse still, an implication of the Prime Minister that both the Confederation of British Industry and the

Employers' Federation supported the contract, because they approved the broad outlines of the pay guidelines, provoked those bodies to reply that the social contract was damaging to the industry—mainly because of the Government's obligations under it.

Without the backing of the employers on such a scheme has much chance of success. Presumably CBI members will now feel themselves released from any obligation to resist excessive pay claims with more determination than is convenient.

As its part of the effort, the TUC is making a serious effort to deal with the pay-pull element in inflation, a problem that numerous previous attempts, both statutory and voluntary, have failed to resolve. It was bound to have some effect, at least to begin with, according to Mr Leonard Murray, TUC general secretary, it already has

had on local authority and printing negotiations.

It was also bound to encounter some failures. The TUC guidelines are vague enough for any union to find a way through them if it wants to. What matters is whether the unions want to, and whether their members allow them to.

Either failures or successes could have a snowball effect, depending on the surrounding climate. It was at least doubtful whether the scheme would have achieved a breakthrough where so many previous efforts have failed, but it is now much less likely to do so because the party leaders have turned it into a political football.

It is a pity they did not all try to give it the best possible chance, because no one else has a convincing alternative. That, at least, would have been an example of national cooperation in the public interest, which there has been so much talk of.

# Business Diary: Sir Claus's latest number • Sime Darby day

Despite the statistical fog, some would say, in which the present election campaign has been so energetically losing itself, Britain's top statistician—who was already Europe's top statistician—has now been appointed the world's top statistician in a manner of speaking, anyway.

The rise and rise of Sir Claus Moser—after the Prime Minister Britain's most conspicuous statistician—really began when he was retained by Lord Robbins to do the spade-work for his famous Committee on Higher Education in 1961. So impressive were the figures which Sir Claus then plain (and Sir Claus then plain) assembled that the committee could see no alternative to recommending the biggest and most rapid expansion in university places that the country had ever seen, with well-known consequences.

It was a matter of course for the Prime Minister to appoint him Director of the Government's Central Statistical Office in 1967, where his alert for prolific output of well-presented and timely data has had the fullest rein. He has also been acknowledged by two successive prime ministers as a doughty champion of the integrity of official statistics, however inconvenient their content or timing.

He has been elected chairman of the United Nations Statistical Commission, a post he will hold concurrently with the chairmanship which he

already occupies of the Conference of European Statisticians.

The Statistical Commission, whose 18th session is under way at Geneva, was set up in 1947 and reports in the United Nations Economic and Social Commission for Asia and the Pacific, continued yesterday with the appointment of four Asians to the board.

James Bywater, who came in as chief executive last December, denied yesterday that the rebuilding of the shattered image has essentially involved a public relations exercise aimed at identifying and subduing the far eastern base. But in Pinder's day there were only two Asians on the board. There are now five, including the chairman, Tan Sri Tan Chin Tuan.

One of the new arrivals, Tun Tan Siew Sin, is a former Malaysian Finance minister and the other three—Tan Sri Taib Bin Haji Andak, Chan Chin Cheung and Yong Pung How—are all bankers, being respectively chairman of Malayan Banking Berhad, director of Bank Negara and chairman of

Singapore International Merchant Bankers Limited.

The point, Bywater maintained, is not so much that they are Malaysians, or even bankers, as that they bring some much needed local knowledge and expertise to a company which, since the Pinder shake-up, had brought in Europeans with little knowledge of the East.

Bywater himself, for instance, was a GKN man, while one director, Keith Bright, was formerly De La Rue, and Arnold Morgan came from Plessey, and Robert Constable from Becham.

Not so taxing

Government crises are usually good news to the Italian taxpayer, as they mean that for the time being no new devices will be thought up for sacking more money out of him.

Perhaps that is one of the reasons why the fall of the government fails to arouse the interest or anxiety among the general public that it would in some other countries.

The present crisis is no exception. Several unwelcome measures are now blocked until after a new government has settled in.

Among them are Bills now decrees to recruit 7,700 new civil servants to the Finance Ministry for combating tax evasion, institute sample checks on the tax payments of individuals and to undertake a once-

for-all property levy based on the number of rooms.

It thus seems increasingly doubtful whether the Rumor Government's target of taking 5,000,000 lire (£2,000m) out of the economy through its austerity package could be reached.

Other—and less unpopular—measures stuck in the works concern concessional financing for small businessmen, plans to arrest the deepening crisis in the building industry and legislation to reform health and hospital services.

But, as often with clouds in Italy, there is a silver lining. Mario Tanassi, the outgoing Finance Minister, has said that revenue collected in the first six months of this year was 1,500,000 lire more than in the first half of 1973.

Scotch lament

Michael Brander, author of *The Original Scotch*, a lively new book on whisky, has a useful suggestion for any Scottish nationalist in the lookout for new policies in the last few hours of the election campaign.

Brander says that while the Nats' campaign is fuelled by the self-confidence that comes from the oil deposits to be unloaded at Scottish ports, somebody ought really to be doing something in the meantime about another Scottish resource already in hand—namely, Scotch.

With Scotch exports running

at £260m worth a year, making Scotch Scotland's single biggest export, then any additional say the Scots gain in their own financial affairs could be used to reduce the punitive levels of duty the drink attracts, he argues.

By Shaw, deputy chairman of the Glenlivet Distillers "in association" with whom Hutchinson is publishing Brander's book, elaborates on the theme.

There must be a point, he says, at which cheaper Scotch would mean increased sales and therefore greater profits and return to the Exchequer (again £260m last year).

Taking equivalent alcoholic strengths, Shaw says that the duty on a half of beer was 2p, on 3/10s of table wine 3.1p, but on an ounce of Scotch, it is 7.45p, or £1.98 on a £2.50 bottle.

If Scotch were taxed proportionately, he says, imported sherry, Sbow says, then duty on a bottle would come down £1.56, or more if applied in the same way as British sherry.

Brander, whose book is both lively and—at £3.50—cheap, traces the history of Scotch from the fifth century, when Saint Patrick (a Scot) taught the Irish distilling, in the present day.

Go East...

Merchandise Navy officers who were thrown out of work when the Court Line group collapsed

# INTERIM STATEMENT LESNEY PRODUCTS & CO. LTD.

The Directors have resolved:

**Ordinary Dividend**

To pay an Interim dividend on the Company's Ordinary Shares (5p) and Restricted Voting Ordinary Shares (1 1/2p) of 0.34 pence per share (equivalent to 0.375 pence per share including tax credit) 1973/4 (2.5 pence per share) in respect of the financial period 1974/75. The dividend will be payable on 2nd January 1975 to Ordinary Shareholders and Restricted Voting Ordinary Shareholders on the registers of members at the close of business on 25th October, 1974. The Register will not be closed.

Barring unforeseen circumstances it will be the intention to recommend a final dividend for the current financial year of 0.35 pence per share in new works at 1973/4 (1.05 pence per share) for practical purposes this is the maximum dividend increase permitted by present regulations.

Unaudited results for the 24 weeks trading ending 14th July, 1974 are:

	24 weeks ending 14th July 1974	24 weeks ending 14th July 1973	% change
Group Sales	£12,147,000	11,063,000	124.01
Group Trading Profit	1,654,000	867,000	190.89
Depreciation	28,000	25,000	112.00
Finance Interest	51,000	71,000	139.22
Other Interest (incl. paid)	97,000	145,000	149.66
Profit before taxation	1,583,000	811,000	195.20
Taxation	267,000	250,000	106.80
U.K. Taxation	285,000	250,000	114.00
Overseas Taxation	—	—	—
Profit attributable to shareholders	588,000	261,000	225.29
Dividends (tax imputed)	16,375	18,275	111.56
Preference	95,642	95,642	100.00
Ordinary Interim	—	—	—
Ordinary Final	—	114,400	114.40
U.K. Final	—	—	—
Overseas Final	—	117,700	117.70
Total	£114,017	147,620	129.78

Pence Per Ordinary Share

	1974	1973	% change
Interim Dividend	0.34	0.3075	112.07
Final Dividend	—	0.2975	114.85
Total	0.34	0.605	177.25

Earnings per Ordinary Share

	1974	1973	% change
Share	1.89	0.80	236.25

**NOTES**

Exchange rates

Trading results of overseas subsidiaries have been converted into Sterling at rates of exchange ruling at 14th July 1974.

An extraordinary loss of £20,000 (year 1973/4 £24,000) profit arose in respect of the net current assets of subsidiary companies at a group of this corporation. No account has been taken of this loss in arriving at the group profits as it is effectively a reduction of Group reserves.

Financial period 1974/5

The current financial year will be a 53 week period ending on second February 1975.

Period under review

Despite 8 weeks of three day working, the principal factories in Haslemere and Rushdown have produced over the corresponding period last year, in addition the increased production of the corresponding period last year further supplemented output. All overseas subsidiaries traded profitably, approximately 80% group sales were made for foreign currencies.

Outlook

Whilst there is every indication of a steady and second half year's trading the year's profits should be augmented with year on year by the possible erosion of margins by increased manufacturing and finance costs.

the rich serving

workers

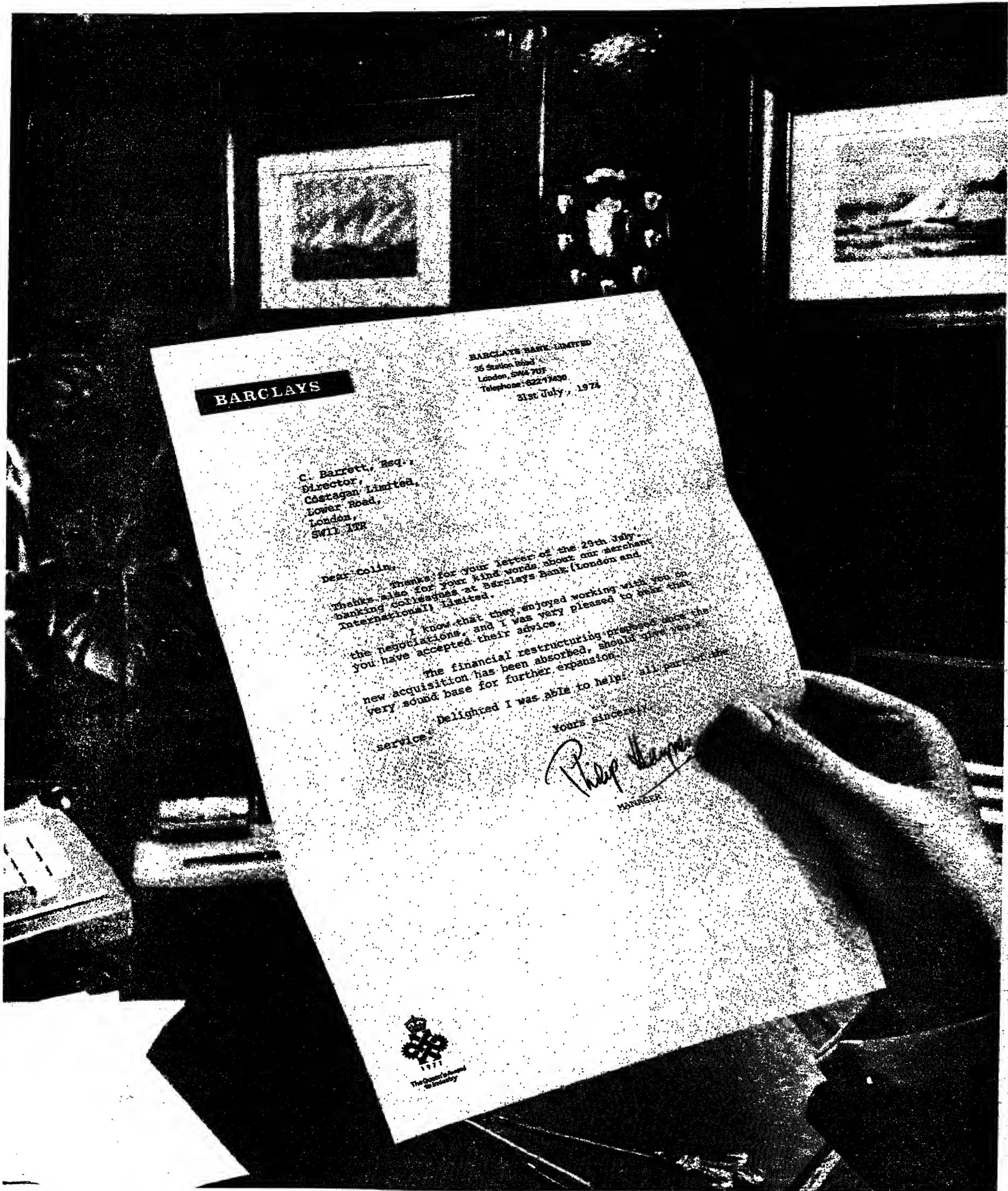
workers

workers

workers

workers

workers



**BARCLAYS**

BARCLAYS BANK LIMITED  
36 Station Road  
London, SW4 7DF  
Telephone: 622 17430  
21st July, 1974

C. Barrett, Esq.,  
Director,  
Costagan Limited,  
Lower Road,  
London,  
SW11 1TP

Dear Colin,

Thanks for your letter of the 29th July.  
Thanks also for your kind words about our merchant  
banking colleagues at Barclays Bank (London and  
International) Limited.

I know that they enjoyed working with you on  
the negotiations, and I was very pleased to hear that  
you have accepted their advice.

The financial restructuring proposed since the  
new acquisition has been absorbed, should give you a  
very sound base for further expansion.

Delighted I was able to help all part of the  
service.

Yours sincerely,  
*Philip Skipton*  
MANAGER



*In order to protect the interests of our customers, the names and addresses in the above letter are fictional.*

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Insurance Broking: Medium Term Loans: Market Rate Deposits  
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هنگام العمل

FINANCIAL NEWS AND MARKET REPORTS

Housing blight claims Regalian: dividend omitted after £1m loss

By Tony May
There was a one-point drop to 11p yesterday in the shares of Regalian Properties after news that the interim dividend is being omitted for the June 30 half-year (against 0.87p a year ago) because profit of £203,000 has been turned into an interim loss of £986,000.

market "could well give rise to a substantial loss in the current year".
On the trading front, the Brighton offices have been let to Legal & General Assurance for a rental of £206,000 a year, thus increasing considerably the value of the commercial property portfolio.

Wades comes off the boil

The run of successive record profits over the past three years at Wades Departmental Stores has ended with a fall in 1973-74 taxable profits from £811,000 to £617,000. The red light came on at half-time, when taxable profits were nearly static at £518,000, and this Sheffield-based group of household furnishing retailers slipped back in the second half when profits went down from £494,000 to £300,000.

The board points out that turnover includes purchase tax, but the current year's figures exclude VAT.
After all charges, profits are down from £428,500 to £262,000, although the dividend is up from equal to 2.18p to 2.27p. Earnings a share are 4.66p, against 9.15p. At the start of the year, Mr H. Winston, the chairman, said that this term would reflect the group's programme of modernization and improvement at various centres.

Ash & Lacy see full-time £1m

Metals stockholders and performers Ash & Lacy have made a flying start to 1974 with taxable profits up from £443,000 to £553,000 and sales up over £2m from £1.5m to £1.76m. Profits for the full year are expected to top £1m for the first time. Earnings per share in the first leg are up from 10.85p to 12.37p and the interim dividend is being stepped up from 2.5p to 3.75p.

£232,000. Mr G. Coe, the chairman, commented that the group's specialist printing activities showed particular strength and this was continuing in the third quarter.
But for the full year record a small gain. At pre-tax level, output is £637,000, against £627,000, though the sum available for dividends is cut from £574,000 to £500,000 and earnings a share from 2.64p to 2.5p.
Nonetheless, the dividend is to rise from 2.58p to 2.76p, and the board are proposing a 1.8 scrip issue, forecasting the same rate of dividend on the increased capital for the current year.

Ferry Pickering finishes well

Although 1973 included the three-day week, the second half year at the Ferry Pickering Group's printers, publishers and packagers produced a rise in pre-tax profits from £252,000 to £278,000. This takes the group to another record profit for the full year of £510,000 or £3.4m, against £2.9m.
At the attributable level, profits dipped from £250,000 to £240,000, but the dividend goes ahead from 3.32p to 3.91p. Earnings a share come out at 6.76p, against 7.06p.
At half-time, when profits went ahead from £195,000 to

£232,000. Mr G. Coe, the chairman, commented that the group's specialist printing activities showed particular strength and this was continuing in the third quarter.
But for the full year record a small gain. At pre-tax level, output is £637,000, against £627,000, though the sum available for dividends is cut from £574,000 to £500,000 and earnings a share from 2.64p to 2.5p.
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Alginate in upsurge as demand stays strong

By Fred Wilson
Alginate Industries, made public by offer for sale last December, is obviously on track for a record year in 1974. Alginates are essentially chemical by-products derived from brown seaweed and are widely used in the food industry for thickening and stabilizing.

Group taxable profits for the half to June 30 jumped from £480,000 to £801,000 on turnover up from £3.1m to £3.92m—this includes exports up from £2.3m to £2.8m. For the whole of 1973 profits were £344,000.
Group taxable profits for the half to June 30 jumped from £480,000 to £801,000 on turnover up from £3.1m to £3.92m—this includes exports up from £2.3m to £2.8m. For the whole of 1973 profits were £344,000.

Overall, strong demand for the group's products continues and present indications are that second half results will also be satisfactory providing production is not upset.

Stock markets Industrials take heart

The stock market had another cautious session yesterday, as the City braced itself for the outcome of the election. Turnover was low, but share prices steadied from early falls which followed publication of a depressing survey of industrial opinion.

Fisons (175p) shook off initial doubts to add a few pence with the help of Wall Street.
The house building sector was unsettled at first by reports that Northern Developments faces a severe cash crisis. But shares in that company, having fallen to 6p, rallied to close only 1p off at 8p. Also on the building pitch, there was a speculative rise in shares of W. Crowther—66 per cent owned by British Land—on vague bid rumours.

A strong start on Wall Street boosted London's major stocks during the final hour, but there was no increase in buying pressure. Recorded bargains totalled 5,206. The FT index, one point down at first, closed a net 3.3 up at 194.8, and The Times index improved by 0.62 to 752.1.
Gold shares had a more subdued session and were off the top following the afternoon fixing, when bullion was priced lower. However, gains ranged from 25p to 30p, with Western Area firm at 460p.

Higher profits and a plan to raise the dividend lifted shares in Manchester Linens to 92 1/2p as the market awaited fresh developments in the bid situation.
Marks & Spencer at 115p went stronger in late dealings, on confidence of good interim results today. Other store shares generally improved, and food shares were also better. Lesser shares in the bid situation.

In spite of a bearish report on business opinions, heavy industrial shares quickly recovered initial losses and began to edge forward. The mood was further helped by disclosure of results of survey of industrial investment intentions by the Department of Industry, which confirmed the outcome of an earlier inquiry.

Conditions in the gilt-edged market were quiet and trading was much below last week. Some long-dated stocks dipped 1/2p to 1 1/2p, but over four years with ongoing actively indexed long term dividend currencies.
Principal stocks with minimum parcels of £25,000 (payable in sterling or designated currencies) or single investor seeking dominant financial role outside U.K. with passive opportunity to contribute to established management team.

Latest dividends
All dividends in new pence or appropriate currencies.

Table with columns: Company, Dividend, Yield, etc. Includes entries for Ash & Lacy, Ferry Pickering, etc.

TRANSFER BOOKS
VALUATED TITLES WINNER OF ABERDEEN THUNDERBOLT
TRANSFER BOOKS
CLOSED FROM 20th to 21st October.
1974 both days inclusive.

Business appointments Mr W Thompson on Bowthorpe Holdings board

Mr William F. Thompson has joined the board of Bowthorpe Holdings.
Mr F. S. Rowlands has resigned as director and managing director of Spence & Co.
Mr L. S. Payne has joined the board of J. Salisbury.
Mr B. Tromans has become managing director of W. Cronin and Co. and will continue as deputy chairman.
Mr L. G. Mummary, hitherto chairman and managing director, will continue as chairman.

Producer-power depends on Arabs

There has been much talk over the past few months of producer power in commodities following the huge success of the Arab oil producing nations. Various schemes have been mooted for the coffee growers in the forefront with a plan to withhold 16 million bags (5 kilos each) of exports in 1974-75.
Other moves include a Peru/Mexico link on silver to defend record levels, is in the firing line. A spokesman for the Argentine Sugar Administration said last week that diplomats from six Latin American sugar exporting nations have agreed to hold a consultative meeting in Buenos Aires at the end of November to arrange for a joint defence of sugar prices.

Citroen-Peugeot merger plan meets financial snag

In the background of a proposed merger with Peugeot, and as foreshadowed some two months ago, Citroen reports a drastic tumble in first-half profits before tax from 9.5m to 1.9m francs.
At end-June, to a surprising move, plans were announced for a merger with Peugeot (the second largest car manufacturer in France—Citroen is the third) to create what would be one of the largest car groups in Europe. The two have given themselves until November to work out the ways and means of an eventual marriage.

This has hit a snag in that talks now proceeding face difficulties over the valuation of the Citroen unit's assets. It is believed that the main problem is how much Peugeot should pay if it eventually agrees to take over part of Mitchell's 33 per cent stake in Citroen. Mitchell's share in Citroen is valued at 1.5m francs, but Peugeot is unwilling to give its own guarantee to a Citroen loan. It is also believed that in this context pressure may be put on State-owned finance institutions to put up some of the funds Citroen needs.
—Reuter.

Doulton keeps profit steady

On the face of its interim results to June 30 the Doulton pottery subsidiary of the S. Pearson group, held its own during the three-day week. Pre-tax profits were £3.1m, against £3.04m a year ago—when they showed a jump over 1972 of more than £1m.
The result was after meeting an increase from £355,000 to £588,000 in interest charges. Turnover was up sharply by £8m to £45m. Attributable profit slipped from £1.35m to £1.27m.

Another London broking link-up

The partners of stockbrokers William H. Hart & Co and Wm Morris & Co intend to merge the two firms to form North Morris & Co. The new partnership, consisting of 25 partners, will be based at Park House, Finsbury Circus, and will result in an expansion of all present services, which embrace all aspects of Stock Exchange business. Both firms have slumped down quite a lot over recent months through natural wastage.

THOMSON PIPER PETROLEUM LIMITED
US \$ 100,000,000
Piper Field Development Finance
Thomson Piper Petroleum Limited were advised in the negotiations leading to this financing by
S. G. Warburg & Co. Ltd.
October, 1974.

Wall Street Dow Jones up by 12 points

New York, Oct. 7.—At noon today, the Dow Jones Industrial Average was 12.12 points higher at 2,000.00.
Investors, apparently hopeful that President Ford's economic programme, to be delivered tomorrow, will help relieve pressure on financial markets, drove share prices up across a broad front in early trading.—Reuter.

LEGAL NOTICES

YOUR OWN part-time business. If you have a car, you can earn up to £1,000 a year. No experience necessary. We provide the equipment and training. All enquiries to: THE BUSINESS OPPORTUNITY GROUP, 10, The Quadrant, London SW1.

BUSINESS NOTICES

READERS are recommended to take appropriate professional advice before entering negotiations.
FINANCE AVAILABLE for good property deals on a profit sharing basis. All proposals considered. Write to: THE BUSINESS OPPORTUNITY GROUP, 10, The Quadrant, London SW1.

DO YOU REQUIRE CAPITAL?

Private investor seeking to place sums up to £25,000 with companies or private individuals seeking expansion in the service or retail fields. Box 2489 O. The Times.

SPANISH FACTORY

Important Spanish manufacturer of office furniture is looking for a distributor for their products in Great Britain.
If interested apply urgently to Ref. 35032. Box 1177 D. The Times.

PENTANDO

Interested? Pan-European Company project requires additional venture capital. Full participation. Mandatory Treasury and Central Bank approvals obtained. Exchange premium paid. Minimal risk investment with 4 years with ongoing actively indexed long term dividend in stable currencies.

MISCELLANEOUS FINANCIAL

THE RIO TINTO-ZINC CORPORATION LIMITED
To the Holders of Ordinary Shares (including Shares held in Trust) in the above-named Company:
Notice is hereby given that the 12th day of August 1974, presented to the Board of Directors of the above-named Company, a resolution was passed that the dividend for the year ended 31st December 1973 should be paid on the 12th day of August 1974.

LEGAL NOTICES

No. 002028 of 1974
In the HIGH COURT OF JUSTICE Chancery Division Companies Court before me, the Registrar of Companies, in the Matter of the Companies Act 1948.
Notice is hereby given that the 12th day of August 1974, presented to the Board of Directors of the above-named Company, a resolution was passed that the dividend for the year ended 31st December 1973 should be paid on the 12th day of August 1974.

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CONTRACTS AND TENDERS

THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA. STATE MINISTRY OF TRANSPORT. NATIONAL PASSENGER TRANSPORT COMPANY.
NOTICE OF CALL FOR TENDERS FROM ABROAD
Tenders are invited from abroad for supply to the SOCIETE NATIONALE DES TRANSPORTS DE VOYAGEURS (SNTV) of:

BUSINESS NOTICES

YOUR OWN part-time business. If you have a car, you can earn up to £1,000 a year. No experience necessary. We provide the equipment and training. All enquiries to: THE BUSINESS OPPORTUNITY GROUP, 10, The Quadrant, London SW1.

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NOTICE OF CALL FOR TENDERS FROM ABROAD
Tenders are invited from abroad for supply to the SOCIETE NATIONALE DES TRANSPORTS DE VOYAGEURS (SNTV) of:

LEGAL NOTICES

In the Matter of DONALDSON, TRADING as Limited, in the Matter of the Companies Act 1948.
Notice is hereby given that the 12th day of August 1974, presented to the Board of Directors of the above-named Company, a resolution was passed that the dividend for the year ended 31st December 1973 should be paid on the 12th day of August 1974.

DOMESTIC SITUATIONS

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Required for London client. Must be aged between 20-35, live in London, speak and be prepared to travel.
Ring Miss Tribe at 495 6447.
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ENGINEERING COMPANY, with electrical and mechanical departments, including electrical, mechanical, and electrical departments.
Tel: 0181-874 4774.

MOTHER'S HELP for professional family of 4, plus 100 per week. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.

RESIDENTIAL HOUSEKEEPER required in well equipped house. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.

CAPABLE COOK required for 10/12 persons. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.

THE QUE OF BEAUFORT requires a competent and experienced housekeeper. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.

ADVERTISING EXECUTIVE - experienced in advertising. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.

ALL DOMESTIC STAFF - experienced in all domestic work. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.

PAIR PAIRS direct from abroad, from 10/12 persons. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.

FAIR BUREAU PICCADILLY - experienced in all domestic work. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.

HOUSEKEEPER - experienced in all domestic work. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.

REQUIRE - experienced in all domestic work. Salary £100 per week. 10 hours per week.
Tel: 0181-874 4774.



# Union Corporation Limited

Incorporated in the Republic of South Africa.



## Letter from the Chairman

Office of the Chairman,  
Union Corporation Limited,  
70 Marshall Street, JOHANNESBURG.

7th October 1974.

Dear Shareholder,

The takeover statement by Gold Fields of South Africa Limited (GFSA) is answered by your directors in the document which has been posted to shareholders. I should like to tell you in highlight why your directors and advisers recommend you to reject the GFSA offer.

### THE OFFER

The merits of a takeover cannot be judged simply by a comparison between share market prices. A realistic assessment must also take into consideration the respective contributions to an enlarged offeror company and the proportion that would accrue to the shareholders of the offeree company—in this case you. GFSA offers you less than a third of its ultimate equity capital even though you would be contributing nearly half its earnings. This discrepancy is camouflaged by the mixture of preference and ordinary shares being offered to you. Because of the fixed dividend payable on the preference shares you would, for several years, enjoy only a fraction of the growth achieved in respect of GFSA's ordinary dividends. This is not compatible with the claim that you would secure more assured growth prospects.

GFSA claims that your stake in gold would be increased. The real position is that as a shareholder of the enlarged company, you would only have a minimal increase in gold content and would lose the greater part of the asset backing arising from all the other Union Corporation investments. In turn this would add to the asset backing for the GFSA existing shares—a very material benefit to the present GFSA shareholders secured at your expense.

Diagrams 1 and 2 below express these points graphically.

### DIVIDEND POLICY

Your directors intend to declare a final dividend for 1974 of 30 cents per share, making a total for the year of 42 cents which on the basis of the forecast of net earnings of R37.8 million (65 cents per share), will be over 1.5 times covered. The amount retained will be substantially the same as last year.

This increased dividend reflects the improved profits which have been earned on all sections of our business. It also reflects the higher proportion of dividend income arising from companies, including Impala Platinum, which themselves are ploughing back a substantial percentage of their profits into asset replacement and expansion. In view of this, your directors believe that a fuller distribution of earnings to shareholders is warranted without inhibiting continued growth.

### QUALITY OF EARNINGS AND ASSETS

The GFSA document refers to quality of earnings and draws the inference that lower grade mines produce lower quality earnings. I dispute this. Normal mining risks apply to high grade and low grade mines alike. Moreover, if the gold price continues to rise faster than costs, lower grade mines will, by and large, benefit proportionately more than higher grade ones. It is worth noting that at present rates of production, you have an equitable interest in some 18% more physical gold output than if you were to accept the GFSA offer.

GFSA states that there may be an over supply of platinum over the next few years. This could happen, but excess demand might equally well develop. Platinum is an industry of ups and downs; nevertheless, taking good and bad years together, this industry has been very profitable, as you will appreciate from the Impala Platinum 1973/74 report recently mailed to you. I believe this will not change.

We have a sound portfolio of other mining, industrial and commercial investments. With continuing prosperity in the mining industry, the South African economy will share that prosperity and I am confident that our South African industrial and commercial interests, which did well in 1973 and are doing even better in 1974, will continue over the years to contribute significantly to your future flow of dividends.

### POTENTIAL

Our growth depends upon developing new mines and we have consistently invested large sums on exploration. Since 1945 we have brought five gold mines and a major platinum project into profitable production and are optimistic of maintaining our record. As evidence, your group's newest mine, Unisel Gold Mines, has recently received its lease letter; it has issued its prospectus and expects to pay dividends from 1979 onwards. For the longer term we are prospecting for gold and uranium in a number of widely separated locations. Interesting borehole values have been obtained in seven of these areas and follow-up drilling for evaluation purposes is being or will be undertaken.

In Spain we have a major participation in a new zinc/lead mine scheduled to come into production in 1977.

In the energy field, drilling has proved over a thousand million tons of low grade coal in the Evander area and ways and means are being examined of turning this to account. We have a stake in certain oil and gas areas in the North Sea where drilling will start in 1975 and participations in three offshore blocks in the Gulf of Mexico.

We are investigating, with others, the feasibility of mining and processing South African beach sands to produce rutile, zircon, synthetic rutile in the form of slag, and ductile iron.

### CONCLUSION

With our belief in the potential of your company and the ability to distribute a higher proportion of earnings in terms of the policy outlined, we are confident, subject to the normal reservations, that your dividends from Union Corporation will continue to increase in future years.

Clearly GFSA would not have made the offer unless its directors believed that it would benefit GFSA. Indeed, the Chairman of GFSA states to his own shareholders: "the acquisition of Union Corporation on the terms proposed will have a beneficial effect on the earnings and net assets per existing share in your company."

**WHY SHOULD YOU PROVIDE THE MEANS TO IMPROVE THE VALUE OF GFSA'S SHARES FOR ITS EXISTING SHAREHOLDERS AT YOUR EXPENSE?**

**YOUR INTERESTS WILL BEST BE SERVED BY REJECTING THE GFSA OFFER AND RETAINING YOUR INVESTMENT IN UNION CORPORATION.**

Yours sincerely,

E. Pavitt Chairman

## REASONS FOR REJECTING THE GFSA OFFER.

- \*You are asked to contribute 40% of the assets and 48% of the earnings of the enlarged GFSA. On full conversion of the preference shares you would have less than 32% of the equity.
- \*Your stake in gold would not be significantly improved.
- \*You would suffer an immediate reduction in income and restricted dividend growth up to at least 1978.
- \*The benefits of Deelkraal have been exaggerated.

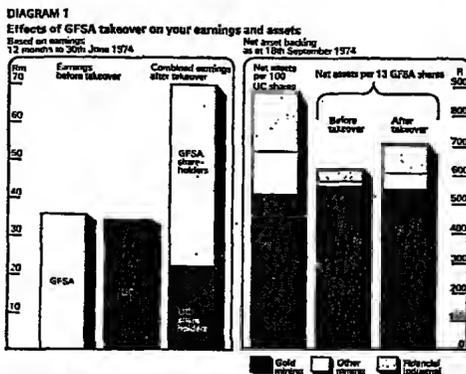
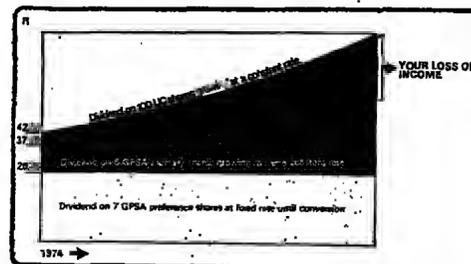


DIAGRAM 2  
Effects of GFSA takeover on your dividend prospects



### DEELKRAAL AND ELANDSRAND VALUATIONS

To put GFSA and Union Corporation on a comparable basis in regard to net asset values and gold content, the GFSA directors' valuation of Deelkraal and Elandsrand has been excluded for the following reasons.

Common practice amongst the mining houses is not to include valuations of prospective mines as part of their net asset values until either they are floated on the Stock Exchange or they become profit earning. GFSA in its annual financial statements for the year to 30th June 1974, followed this practice.

Only some 17 weeks later the holdings in Deelkraal and Elandsrand were valued at R143 million and R34 million respectively. Most of the increase in the GFSA asset value during that period is attributable to the inclusion of these valuations.

The primary assumption on which the valuations were based is an average 1974 gold price of R3 300 per kilo, escalating at 2½% per annum in real terms until 1990. This basis was disclosed in a newspaper advertisement dated 26th September 1974 and published in connection with the offer. This may not have come to your attention. The valuation placed on Deelkraal is a theoretical exercise which bears little or no relation to the market assessment of

similar mines. For example, Libanon, a nearby GFSA administered company in the same field, is a long life, fully financed, operational, dividend paying mine. It has a similar milling rate and grade but, because it is shallower, lower working costs than can be anticipated for Deelkraal. On 18th September 1974 the market valued Libanon at R159 million. GFSA gave Deelkraal a value of R143 million even though to bring the mine to production in 1980 will involve an expenditure of R85 million at 1974 prices to be spent over the intervening period of six years! Dividends cannot start to flow until some time after 1980.

Since the valuation of Elandsrand was made on the same basis, it is open to the same criticism. WE CANNOT ACCEPT GFSA'S USE OF THESE VALUATIONS IN THE ASSESSMENT IT HAS PUT FORWARD OF THE VALUE OF ITS OFFER TO YOU; THE MORE SO AS UNISEL HAS BEEN IGNORED.

The GFSA statement emphasises the "valuable right" of participation in Deelkraal that will accrue to the holders of new shares in GFSA. But this is not an added value or additional benefit. It is already taken into account by the market in the present GFSA share price.

**YOUR DIRECTORS AND ADVISERS, HAMBROS BANK LIMITED, LONDON, AND BARCLAYS NATIONAL MERCHANT BANK LIMITED, JOHANNESBURG, STRONGLY URGE YOU TO REJECT THE GFSA OFFER.**

Copies in English and French of the full statement by the Directors of Union Corporation Limited in response to the offer by Gold Fields of South Africa Limited may be obtained from: Union Corporation Limited, 74/78 Marshall Street, Johannesburg. Union Corporation (U.K.) Limited, 95 Gresham Street, London EC2, Lloyds Bank International (France) Limited, 43 Boulevard des Capucines, Paris and, Banque de l'Indochine, 96 Boulevard Haussmann, Paris, France. Lloyds Bank International (Belgium) Limited, 2 and 4 Rue Royale, B-1000, Brussels, Belgium. Credit Suisse, Paradeplatz B, Zurich and, Swiss Bank Corporation, 1, Aeschenvorstadt, Basle, Switzerland.

The Union Corporation directors accept full responsibility for the accuracy of the information given in this advertisement and certify that they have made all reasonable enquiries to ascertain all material facts. To the best of their knowledge and belief there are no material facts the omission of which would make any statement herein false or misleading.

Barclays National Merchant Bank Limited, 6th Floor, National Bank Building, 84 Market Street, Johannesburg 2001.  
Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA. Price Waterhouse & Co., 3rd Floor, 74/78 Marshall Street, Johannesburg 2001.

YOUR ATTENTION IS DRAWN TO THE ACCOMPANYING LETTER ON FACING PAGE.

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FINANCIAL NEWS AND MARKET REPORTS

Eurobond prices (midday indicators)

Table of Eurobond prices for various countries and maturities, including columns for country, maturity, and price.

Commodities

COPPER - Cash were held by \$3.75 yesterday and three months by \$2. Cash crude rose by \$2.50, while three months was \$1 lower.

LEAD - Cash metal was \$1 cheaper yesterday and three months by \$1.50. Afternoon cash was \$2.25, a metric ton.

U S reaction to Soviet grain deal halt

Chicago, Oct. 7 - President Ford's action to halt the \$2.2 billion Russian grain shipment, mostly maize, sold to the Soviet Union by Continental Grain Co and Cook Industries Inc, took the grain community here by surprise.

Foreign Exchange

An early rally by the dollar to European currency markets was followed by mid-session weakness, leaving the United States currency lower to several cents.

Consumption of lead up in first half-year

The World Bureau of Metal Statistics reports that world consumption of refined lead in the first half of 1974 amounted to 2,159,800 metric tons.

Consumption in the Western World rose by 1.1 per cent to 1,281,000 tons in the first half of 1974, an increase of 11.3 per cent in comparison in the United States.

UK metal stocks - Stocks in London Metal Exchange official warehouses at end of last week (in tonnes unless otherwise stated) were as follows:

New Co-op Bank men - The top management team of the Manchester-based Co-operative Bank is being reshaped and increased to meet the needs of the bank's rapid national growth programme.

Discount market

Discount houses faced a reverse change in the overnight rate yesterday. The Bank of England was required to assist the market for the first time in more than a week.

Spot Position of Sterling

Market rates for sterling in London, New York, and other major financial centers.

Forward Levels

Table showing forward exchange rates for various currencies and maturities.

Money Market Rates

Table of money market rates including Treasury bill yields and bank rates.

The Times Share Indices

Table of share indices for various sectors and the overall market.

Authorized Units, Insurance & Offshore Funds

Large table listing authorized units, insurance companies, and offshore funds with their respective details.

Jolt to Ldn Scottish - Shareholders of London Scottish Finance Corporation are having their dividend cut from 3.36p gross to 2.54p after a release in pre-tax profits from a record £51,000 to £299,000 for the year ended July.

Sporting stars launch into leisure property - Six international sporting figures, including golfer Tony Jacklin and film actor and amateur golfer Sean Connery, are putting money into a new worldwide consultancy company.

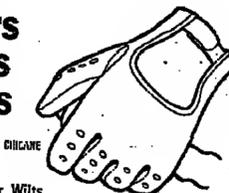
Bank Base Rates - Barclays Bank 12%, FNCB 13%, WHI Samuel 12.12%, C Hoare & Co 12%, Lloyds Bank 12%, Nat Westminster 12%, Shearley Trust 12.75%, 20th Cent Bank 12%, G. T. Whyte 13%, Williams & Glyn's 12%.

Other subscribers include golfers Arnold Palmer and Gary Player, former world motor racing champion Jackie Stewart, tennis star John Newcombe and former Olympic ski champion Jean Claude Killy.

Union Corporation Limited - Incorporated in the Republic of South Africa. 7th October, 1974. Dear Shareholder, Accompanying this letter is your Directors' considered reply to the formal offer you have received from Gold Fields of South Africa Limited (GfSA).

Recent Issues - Table listing recent issues of shares and bonds by various companies.

Safe drivers have Dents in their cars



Dent Fownes Gloves, Warrminster, Wilts.

Stock Exchange Prices

A firmer tone

ACCOUNT DAYS: Dealings Began Sept 30. Dealings End, Oct 11. Contango Day, Oct 14. Settlement Day, Oct 22. Forward bargains are permitted on two previous days.

THE £600 MILLION INVESTMENT EXPERIENCE Canlifeunits EXPERIENCE - WHERE EXPERIENCE COUNTS

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: BRITISH FUNDS.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMONWEALTH AND FOREIGN.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: LOCAL AUTHORITIES.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: FOREIGN STOCKS.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: DOLLAR STOCKS.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: BANKS AND DISCOUNTS.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: BREWERIES AND DISTILLERIES.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL A-B.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL C-D.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL E-F.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL G-H.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL I-L.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL M-N.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL O-S.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL T-V.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL W-X.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL Y-Z.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL AA-AD.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL AE-AH.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL AI-AL.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: COMMERCIAL AND INDUSTRIAL AM-AN.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: MINES.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: INSURANCE.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: INVESTMENT TRUSTS.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: OIL.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: PROPERTY.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: RUBBER.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: TEA.

Table with columns: 1974 High, Low, Company, Price, Change, % P/E. Section: MISCELLANEOUS.

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£4,000 plus Appointments

# LIBYAN ARAB REPUBLIC

## PUBLIC SOCIAL SECURITY INSTITUTION

APPLICATIONS ARE INVITED FOR THE FOLLOWING VACANCIES

**GYM—and Obst.** F.R.C.O.G. M.R.C.O.G.  
**Physician** Consultant M.R.C.P.  
**Pediatric** M.R.C.P. Paediatrics  
**Surgeons** F.R.C.S. General Surgery  
 F.R.C.S. E.N.T.  
 F.R.C.S. Eye Consultant-Specialist  
 F.R.C.S. Pediatric Surgery

**General Practitioners**  
**Midwives S.C.M.** British qualifications.  
**Nurses S.R.N.** preferably with pediatric intensive care, kidney units experience.  
**Electro Medical Technician** for repair and maintenance.  
**Medical Equipment** and instrument store keeper.

SALARIES:	LD	LD
Consultant (Head of Department) 8-10 years' experience	6200	8000
Specialist (3-5 years) M.R.C.O.M.R.C.P. F.R.C.S.	5000	6800
Registrar (Specialist with Diploma) 5 years' experience	4200	6000
General Practitioners 5 years' experience	3380	4800
Sister in charge S.R.N.S.C.M. & S.R.N.	2420	3200
Midwives S.R.N.S.C.M.	2080	2800
Nurses S.R.N.	2080	2800
Electro Medical Technician	2480	3200
Store Keeper for med. equipm't	2480	3200

### GENERAL CONDITIONS:

All applicants should have British registration and trained in England or Ireland. Housing facilities, individual studios in new hospital premises for Nurses. Return air fares for vacation every two years. Transportation and baggage allowance. Contract period is for two years and is renewable. Interviews will be held at the Libyan Embassy during the second week of November.

Applications are to be addressed to:—

Embassy of the Libyan Arab Republic

58, Princes Gate, London, S.W.7.

## COMPUTER SYSTEMS ENGINEERS

### 1. Systems Analysts or Computer Engineers

with at least two years' experience in assembler language programming. Experience with PDP11 mini-computers would be very desirable.

### 2. Technical Writers

with experience in documentation of computer software, and preparation of technical specifications for data communication systems.

Applicants must be prepared to be moved to Montreal, Canada. Please send a résumé of your experience and qualifications to Box No. 2285 D, The Times or, if you prefer, write to M. A. FRASER, Omicron Data Systems Ltd., 4480 Cote de Liesse, Suite 107, Montreal, Que., Canada. Interviews will be arranged in London during the week of 18 November, 1974.

## CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
 Tel: 01-588 3588 or 01-588 3576  
 Telex No. 887374

A challenging position with scope to become company secretary of a number of subsidiaries in the very short term involving greater management responsibilities.

### CJA GROUP COMPANY SECRETARIAL ASSISTANT

CENTRAL LONDON

Negotiable up to £5,000

MAJOR DIVERSIFIED GROUP—ASSETS OVER £300 MILLION—INTERESTS WORLDWIDE

This demanding appointment calls for candidates aged 22 and over who will have gained at least two years' practical secretarial experience within a quoted company. Candidates should be qualified A.C.I.S. and some legal experience would be an advantage though not essential. Reporting to a senior executive the successful candidate will be responsible for the general running, reorganisation and streamlining of the group's secretarial function involving over 150 subsidiaries liaising closely with directors and advisers. He will be actively involved in the setting up of new companies and candidates must have initiative, a flexible attitude and be able to work under pressure within a small head office team. Initial salary negotiable up to £5,000, non-contributory pension scheme, free life assurance and assistance with removal expenses if necessary. Applications in strict confidence under reference GCSA3553/TT to the Managing Director.

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,  
 35 NEW BROAD STREET, LONDON EC2M 1NH. TEL. 01-588 3588 or 01-588 3576. TELEX 887374

### Marketing Development Manager

£3,000—£4,000 per annum

The above opportunity exists for a gentleman between the ages of 25-35 years in an international expanding company. The candidate would be based in Leicester and would be responsible for motivating existing sales centres throughout Britain and the creating and building up of new centres. He must possess unbounded drive and initiative and be able to formulate new plans and methods for the future increase of the company. This position has great opportunity, job satisfaction and financial opportunity. Car and expenses provided and bonus incentive. Box No. 2280 O, The Times.

### SALES MANAGER DIRECTOR DESIGNATE

£3,500-£4,000 per annum

An international expanding British company requires a Sales Manager for their London operation. The candidate should be between the ages of 25-35 years, well educated and experienced in motivating and leading a growing sales team. He should be capable of negotiating with clients at the highest level. This is an important appointment leading to Board level with great opportunity. Car and expenses provided plus bonus incentive. Box 2279 O, The Times.

## BIRMINGHAM HOUSING DEPARTMENT

### Principal Assistant Social Development

Principal Officer Grade 2 (d) £4,611 - £5,118 p.a. Plus Threshold

If the opportunity of pioneering new areas of responsibility in social development work appeals to you and you have the necessary ability and initiative, consider what one of the largest housing authorities in Europe has to offer.

As a result of re-structuring, a new Principal Assistant—Community Services is required to be directly responsible to David Priestnall, B.Sc. (Soc.), Dip. T.P., M.R.T.P.I., Assistant City Housing Officer, Social Development.

The particular duties of this post involve the supervision of staff responsible for: tenants halls, community flats and houses, warden service grouped dwelling schemes, the provision of information services, housing aid and the promotion of tenant and public participation in housing.

Candidates should possess suitable qualifications (e.g. degree in Social Science, professional membership of I.H.M. or R.T.P.I.) and have had extensive experience in related work.

Full details of age, qualifications, background and experience for the above post should be sent together with the names and addresses of two referees to the City Housing Officer, Bush House, Broad Street, Birmingham B1 2HL, not later than the 31st October, 1974, quoting reference 15/831.

100% mortgage facilities will be made available together with payment of removal expenses up to a maximum of £100.

## Commercial Director

c. £10,000

This is a newly established position offering an exceptional opportunity for a senior marketing man to widen his activities and move towards general management.

Reporting to the Managing Director of a £12 million British Company in the London area, part of a major and still expanding group, he will be responsible for the sales and marketing, purchasing and management services functions.

Evidence of management success and potential for further development must be demonstrated but the post calls for a person with qualities over and above those demonstrated by an impeccable track record. He must be capable of initiating and effecting change while being receptive to the value of traditional attitudes. He will be a first class communicator with considerable reserves of tact, perseverance and adaptability.

He is likely to be in his forties, with sales and marketing experience in the consumer goods field and must be totally familiar with modern management and financial control systems.

Replies, giving full details of qualifications and experience will be forwarded to the management consultants advising on this appointment and complete confidentiality will be observed.

They should be addressed to  
 JWT Recruitment (CD/TT),  
 J. Welter Thompson Company Limited,  
 40 Barkley Square,  
 London W1X 6AD.

JWT

## Charles Barker Recruitment

Use our Confidential Reply Service by sending us full career details and listing on a separate sheet any companies to whom we should not forward your reply. Write the reference number on your envelope and send it to our London office, 30 Farringdon Street, London EC4A 4EA.

### Managing Director

A Managing Director is sought for a company formed by large and important U.K. shareholders to promote trade and financing thereof between the Soviet Union, the U.K. and third countries. This may extend later to other East European countries.

Age 35-50

A knowledge of Russian is not essential, but the following qualifications are:

- A banking and/or financial background.
- Willingness to spend 25 per cent of time abroad, though U.K. based.
- Determination to discover and develop opportunities in a relatively uncharted field.

Remuneration for discussion, but not less than five figures. Reference: 1256

## GODSELL AND COMPANY LIMITED

International Money Brokers

### STERLING DEALERS

Applications are invited from experienced Money Dealers to join this prominent old-established firm of foreign exchange and currency, deposit brokers who are expanding their activities to cover the Sterling Inter-Bank, Local Authority and Commercial markets.

Please write with full career details to:

The Managing Director  
 Godsell & Co. Ltd.  
 Marlton House, Mark Lane,  
 London EC3M 4AQ

01-623 6621

## CSIRO

AUSTRALIA

DIVISION OF LAND USE RESEARCH  
 CANBERRA, A.C.T.

### RESEARCH SCIENTIST

The Commonwealth Scientific and Industrial Research Organisation has a broad charter for research in the primary and secondary industry areas. The Organisation has approximately 6,500 employees, 2,100 of whom are research and professional scientists—located in Orléans and Sections throughout Australia.

FIELD:

### OPERATIONS RESEARCH

**GENERAL:** The Division of Land Use Research is currently developing research programmes in both socio-economic and biophysical aspects of land use planning, utilising geographic information systems. The Division is seeking an Operations Research Scientist capable of development and innovative work in strategic planning associated with patterns of regional land use allocation. The following are topics of current interest: mathematical modelling, combinatorial allocation under diversity constraints, and intangible, combinatorial allocation under diversity constraints, and simultaneous optimization of land use and infrastructure network.

**DUTIES:** To initiate research in these topics in an interdisciplinary team working on land use problems on the South Coast of N.S.W. Scope exists for a later extension of research into broader aspects of system optimization.

**QUALIFICATIONS:** Ph.D. or equivalent research experience in a relevant discipline together with demonstrable research ability.

**SALARY:** Appointment will be made within the salary range of Research Scientist or Senior Research Scientist: SA10,440-SA15,458 p.a.

**TENURE:** Either an indefinite or a fixed term appointment may be negotiated. An indefinite appointment carries Australian Government Superannuation benefits.

Applications stating full personal and professional details, the names of at least two professional referees and quoting Reference Number: 518/87, should reach:—

The Personnel Officer,  
 Australian Scientific Liaison Office,  
 64-76, Kingsway, LONDON WC2B 6BD

by the 30th November, 1974  
 Applications in U.S.A. and Canada should be sent to:  
 The Counsellor (Scientific),  
 Embassy of Australia, 1601 Massachusetts Avenue,  
 N.W., WASHINGTON, D.C. 20036, U.S.A.

## Commercial Lawyer

£5000-£6000

The Legal Department of a major manufacturing and marketing company requires a first rate Lawyer (either a Solicitor or Barrister) to join its existing small legal team in central London. The appointment is to a new post involving a wide and interesting range of legal work. In addition to having commercial legal experience (in either private practice or industry), the Lawyer concerned must be capable of applying such experience with enthusiasm in a thoroughly practical manner and in an environment which requires adaptability and precision.

A good contributory position scheme, personal accident insurance and £3.00 per week luncheon vouchers are included in the benefits offered. Please send brief details of education and experience to:— Position No. AKC 4615, Austin Knight Limited, London W1A 1DS. Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

## NEWPORT BOROUGH COUNCIL

### Principal Solicitor

Principal Officers' Range 2, Scale £4,737-£5,244. Subject to recent national increase of approximately 11 per cent, plus £146.16 per annum threshold payment.

A key role for an experienced solicitor as head of the Legal Section of the Chief Executive's Department in the implementation of major programmes for—

CENTRAL AREA REDEVELOPMENT  
 HOUSING AND INDUSTRIAL EXPANSION  
 IMPROVEMENT OF LEISURE SERVICES

### Assistant Solicitor

Principal Officers' Range 1, Scale £3,729-£4,230. Subject to increase and threshold above. Duties include advocacy, attendance at committees and general legal administrative work relating to the above programmes.

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